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SPECIAL CONSUMER NOTICE
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FBIS **FOREIGN BROADCAST INFORMATION SERVICE**

NOTICE

On 1 June 1987 FBIS will begin publication of reorganized and renamed DAILY REPORTS. The following list details the changes being made in the eight volumes.

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| I. CHINA DAILY REPORT | Contents unchanged |
| II. EASTERN EUROPE DAILY REPORT | Contents unchanged |
| III. SOVIET UNION DAILY REPORT | Contents unchanged |
| IV. EAST ASIA DAILY REPORT | Renamed; formerly ASIA & PACIFIC DAILY REPORT; contents unchanged |
| V. NEAR EAST & SOUTH ASIA DAILY REPORT | Renamed; formerly MIDDLE EAST & AFRICA DAILY REPORT; contents include: <ul style="list-style-type: none">Middle East & South Asia ReviewInter-Arab AffairsIslamic AffairsPalestinian AffairsOPEC AffairsSouth Asian Regional AffairsArab Africa<ul style="list-style-type: none">AlgeriaChadEgyptLibyaMauritaniaMoroccoSudanTunisiaWestern SaharaArabian Peninsula<ul style="list-style-type: none">BahrainKuwaitOmanPDRYQatarSaudi ArabiaUnited Arab EmiratesYemen Arab RepublicIraqIsraelJordanLebanonSyriaSouth Asia<ul style="list-style-type: none">AfghanistanBangladeshIndiaIranMaldivesNepal & BhutanPakistanSri Lanka |
| VI. LATIN AMERICA DAILY REPORT | Contents unchanged |

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FOREIGN MINISTRY HOLDS WEEKLY NEWS BRIEFING

Thach Remarks Rejected

OW081118 Beijing XINHUA in English 1110 GMT 8 Apr 87

[China Rejects Vietnam's Claim" -- XINHUA headline]

[Text] Beijing, April 8 (XINHUA) -- A Chinese Foreign Ministry spokesman rejected Vietnamese Foreign Minister Nguyen Co Thach's recent claim that the Kampuchean question will not hinder the improvement of Sino-Vietnamese relations, saying that "it is not worth notice".

The spokesman made this remark at a weekly news briefing here this afternoon when asked to comment on the Vietnamese foreign minister's claim.

The spokesman said that the key issue between China and Vietnam is the Vietnamese invasion and occupation of Kampuchea.

He said that for a fairly long period of time in the past, China and Vietnam enjoyed good relations and there existed a profound friendship between the two peoples.

However, the spokesman said, shortly after their nationwide victory, the Vietnamese authorities dispatched troops to invade and occupy a small and weak neighbour. "This is an important question of principle. China naturally cannot support the unjust war launched by Vietnam but firmly opposes it," the spokesman added.

The spokesman said that in launching a war of aggression against Kampuchea, the Vietnamese authorities have undermined the independence of Kampuchea and jeopardized peace and stability in this region, adding that "what is more, they have also brought sufferings to their own people."

The spokesman hoped that the Vietnamese authorities will abandon their policies of invasion of Kampuchea and hostility against China and speedily pull their troops out of Kampuchea, so as to create conditions for the improvement of Sino-Vietnamese relations.

Gu Mu To Visit Africa

OW081158 Beijing XINHUA in English 1153 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Chinese State Councillor Gu Mu will lead a delegation of the Chinese Government to pay a goodwill visit to Zimbabwe, Kenya and Uganda from April 16 to 27, said a Chinese Foreign Ministry spokesman at a weekly news conference here this afternoon. The Chinese delegation was invited the governments of the three countries, respectively, the spokesman said.

During the visit, the spokesman said, Gu Mu and other members of the delegation will, on behalf of the Chinese Government, attend the ceremony for the completion and turnover of the stadiums built in Zimbabwe and Kenya with Chinese assistance.

They will also participate in the celebration activities for the 7th anniversary of the independence of Zimbabwe, the spokesman added.

Wu To Visit Thailand

OW081142 Beijing XINHUA in English 1139 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian will pay a goodwill visit to Thailand from April 17 to 23 at the invitation of the Thai Foreign Minister Sitthi Sawetsila, a Chinese Foreign Ministry spokesman told a news briefing here this afternoon.

As head of the Chinese delegation, the spokesman said, Wu will also attend the annual session of the United Nations Economic and Social Commission for Asia and the Pacific to be held in late April in Bangkok to commemorate the 40th anniversary of the establishment of the commission.

Former Tanzanian President Coming

OW081130 Beijing XINHUA in English 1126 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- The former president of the United Republic of Tanzania, chairman of the South Commission Julius K Nyerere will pay a working visit to China from April 14 to 16, a Chinese Foreign Ministry spokesman told a weekly news briefing here this afternoon.

Nyerere, now chairman of the Tanzanian Revolutionary Party, will visit at the invitation of the Chinese Government, the spokesman said.

Nyerere is an old friend of the Chinese people, he said.

QIAN QICHEN ADDRESSES DISARMAMENT CONFERENCE

OW081301 Beijing BEIJING REVIEW in English 30 Mar 87 p 14

[Apparent text of PRC Vice Foreign Minister Qian Qichen's speech delivered at the UN Regional Conference on the World Disarmament Campaign which opened in Beijing on 23 March]

[Text] Today, I would like to share with you some of my views on the question of peace and disarmament and join you in the discussion.

Despite the absence of a new world war in the past 40 years or more since the end of the Second World War, the world is still in the grip of turbulence and intranquility, and mankind is yet to achieve genuine peace. Regional conflicts and local wars occurred one after another, and the arms race has kept escalating worldwide. The international situation has remained tense, and the danger of war is still seriously threatening world peace and security. It is precisely because of this that the people all over the world are making unremitting efforts in various ways to safeguard peace. The World Disarmament Campaign initiated by the United Nations is part of this extensive effort. We are convinced that as long as the peace-loving peoples of the world are determined to take their destiny in their own hands and go into action, international peace and security can be maintained, and a new world war can be prevented. We are optimists. Although the road ahead is tortuous, the world has a very promising future, and the prospect for mankind is bright.

Having suffered untold tribulations in wars of foreign aggression in the past, the Chinese people cherish peace and security all the more deeply. [paragraph continues]

As a developing socialist country, China is today whole-heartedly engaged in a drive for socialist modernization which requires [the] hard work of several generations and an enduring and stable international environment of peace. Being aware of the heavy task entrusted by history, China is determined to contribute its share to the maintenance of peace, security and stability of the world.

The Chinese Government pursues an independent foreign policy of peace. The basic objective of China's foreign policy is to maintain world peace. We have always maintained that all countries in the world are equal. We are opposed to the big bullying the small and the strong lording it over the weak. We are ready to develop friendly relations with all countries of the world on the basis of the Five Principles of Peaceful Coexistence. Standing firmly by the Third World, we will never enter into alliance with any superpower. We are opposed to the use or threat of force in international relations and interference and aggression against other countries. We are in favour of a peaceful settlement of international disputes.

China has consistently opposed [the] arms race and will never take part in it. We stand for the complete prohibition and thorough destruction of all nuclear, chemical, biological and space weapons and for a drastic reduction of conventional weapons. As early as in 1964, China declared explicitly on the very first day when it came into possession of nuclear weapons that at no time and under no circumstances will it be the first to use nuclear weapons. China has also undertaken not to use or threaten to use nuclear weapons against non-nuclear states or nuclear free zones. China has successively signed the relevant protocols to the Treaty for the Prohibition of Nuclear Weapons in Latin America and the South Pacific Nuclear Free Zone Treaty. China does not advocate or encourage nuclear proliferation, nor does it help other countries develop nuclear weapons. China supports whatever actions and initiatives that are conducive to the realization of disarmament and elimination of the threat of nuclear war.

China has taken a number of steps to cut its military expenditures on its own initiative. The important decision made by the Chinese Government to reduce China's Armed Forces by a million men is being implemented smoothly. China has not carried out any nuclear test for years. Furthermore, it declared last year that it would conduct no more atmospheric nuclear tests in future.

All this has fully demonstrated China's sincerity for peace and disarmament and its determination to take concrete steps in this regard.

To put an end to [the] nuclear arms race, bring about nuclear disarmament, remove the threat of nuclear war and avoid a nuclear holocaust have become the strong desire of the peoples of the world and their most important task.

The ultimate goal of nuclear disarmament should be the complete prohibition and thorough destruction of all types of nuclear weapons. Let us first of all take a look at the reality of the nuclear armaments in the world today. The most important fact is that the two superpowers possess the largest and most sophisticated nuclear arsenals, amounting to over 97 percent of the total nuclear weapons in the world. Their nuclear weapons have long reached the level of oversaturation and overkill. With the piling up of nuclear weapons, [a] continued arms race is not only absurd but also a mockery of human wisdom. The extension of the arms race into the outer space will trigger off its spiralling escalation. The grim realities are that whatever their intentions, only these two have the strength and capability of launching a nuclear war. The latent possibility that the world civilization will be ruined by a nuclear war is like the sword of Damocles, posing a constant threat to peace and security of mankind. [paragraph continues]

As a Chinese saying goes: "It takes the one who tied the knot to untie it." Naturally, they must assume the primary responsibility and obligation for nuclear disarmament. The UN General Assembly unanimously adopted at its 41st session a resolution which clearly set forth the special responsibility of the superpowers and urged them to take the lead in substantially reducing their nuclear armaments. This has fully reflected the strong desire of the world people and the common will of the international community.

Therefore, we are of the view that the two superpowers should take the lead in halting immediately the test, production and deployment of all types of nuclear weapons and drastically reduce and destroy all types of nuclear weapons they have deployed anywhere inside and outside their countries so as to create conditions for other nuclear states to take part in nuclear disarmament. After that, a broadly representative international conference on nuclear disarmament with the participation of all the nuclear states should be held to discuss further measures for the thorough destruction of nuclear weapons. China, as a nuclear state, will not shirk its responsibility and will strive to make its due contribution to this end.

In recent years, the Soviet Union and the United States, while stating that nuclear war cannot be won and should never be fought, have both put forth a number of proposals and plans, one of which is a 50 percent reduction of strategic nuclear weapons as the first step. However, the two sides have so far reached no substantive agreement, and their basic differences remain as serious as ever. Of late, the negotiations between the Soviet Union and the United States on intermediate-range missiles and their related proposals have attracted much attention. It should be pointed out that the question of the intermediate-range missiles has a direct bearing on the security of countries in Europe as well as in Asia. International security is indivisible. While the security of Europe is important, the security of Asia is equally important. We insist that in accordance with the same principle, there should be a simultaneous and balanced reduction of the intermediate-range missiles deployed in both Europe and Asia until their complete destruction.

We hold that in order to reduce the risk of a nuclear war, all nuclear states should, at present, undertake not to be the first to use nuclear weapons under any circumstances and not to use or threaten to use nuclear weapons against non-nuclear states or nuclear-free zones. And then on this basis they could move on to conclude an international convention on the prohibition of the use of nuclear weapons with the participation of all nuclear states.

An increasing number of countries are calling for the establishment of nuclear-free zones and zones of peace. This gives expression to their just aspirations against nuclear war and for the peace and security of their own regions. We maintain that nuclear states should respect the propositions and demands of these countries and undertake corresponding obligations. China unequivocally supports the proposals for the establishment of nuclear-free zones in Latin America, the South Pacific, Africa, the Middle East, South Asia and the Korean peninsula.

Like many other countries, China is for the principle of non-proliferation of nuclear weapons. China's nuclear cooperation with other countries is confined only to the peaceful use of nuclear energy. At the same time, we also hold that the legitimate rights of numerous developing countries of using nuclear energy for peaceful purposes should not be impaired. As for the Treaty on the Non-Proliferation of Nuclear Weapons, it has been justly pointed out that the obligations nuclear states and non-nuclear states should assume under it respectively are imbalanced and unfair. [paragraph continues]

The treaty only limits horizontal proliferation and places no limits at all on the continuous expansion and improvement of the nuclear arsenals of the superpowers. That is why China has reservations on and is critical of this treaty.

While emphasizing nuclear disarmament, one should not overlook the importance and urgency of conventional disarmament. There is in fact an organic link between nuclear and conventional disarmament.

First, both conventional and nuclear armaments are basic elements in the military might which prop up the two major confronting military blocs.

Second, with the development of science and technology, conventional weapons have become increasingly more lethal and destructive.

Third, there is no insurmountable barrier between conventional and nuclear wars. Should a conventional war break out in certain highly developed regions, it will probably escalate into a nuclear war.

Fourth, conventional armaments are also frequently used as a means to interfere in, subvert, invade or occupy a sovereign state. In the post-war years, the use of conventional weapons in regional wars and conflicts has taken a toll of tens of millions of human lives.

Fifth, military expenditures in the world every year now total nearly U.S.\$1,000 billion, most of which are spent on conventional armaments. An enormous amount of human wealth is thus wasted. One cannot but regret that enormous wealth should be devoted to [the] arms race when there are still starvation and poverty on earth.

Obviously, it is absolutely necessary that conventional armaments be reduced drastically along with nuclear disarmament. Conventional armaments of any country should be used only for self-defence. It goes without saying that the superpowers and military blocs which possess the largest and most sophisticated and conventional [weapons] should take the lead in drastically reducing their conventional armaments. This is of crucial importance to the maintenance of world peace.

While mankind is faced with the threat of a nuclear war, the outer space is haunted by a spectre, namely, the imminent or on-going arms race. This is an extension and development of [the] nuclear arms race which will lead to a more complex situation characterized by a progressive escalation of the arms race involving offensive nuclear weapons and defensive weapon systems. This race will further destabilize the world and increase [the] danger of war. To check this race has become a most urgent task for mankind.

The outer space is the common heritage of mankind, and its development and utilization should bring benefits to mankind. It is against the will of mankind if any country should develop, test, produce or deploy outer space weapons in any way. It is hoped that an international convention on the complete prohibition of outer space weapons can be concluded at an early date.

It is a complicated and arduous task to check [the] arms race and promote disarmament. Having a direct bearing on peace and security for all peoples, it calls for concerted and unremitting efforts on the part of the people of the world. All countries, big or small, strong or weak militarily, should have the equal right of participating in the discussion and settlement of the disarmament question which should not be monopolized by a few big powers. No disarmament agreement should be reached at the expense of other countries' interests.

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GENERAL

Finally, I wish to further point out that while disarmament contributes to peace and security, disarmament alone is not enough to preserve peace and security. World peace and national security are closely inter-related. Encroaching upon a nation's independence and sovereignty will undoubtedly jeopardize world peace. Therefore, to safeguard peace and security, it is essential to oppose any form of interference by one country in the internal affairs of others and any form of violation of the sovereignty and territorial integrity of others, and to oppose in particular any country's using its military means to subject others to war of aggression.

The World Disarmament Campaign is developing in breadth. To maintain world peace and oppose war has been taken by billions of people as their objective and sacred duty. The people all over the world must take their destiny in their own hands so that civilization will triumph over brutality, cooperation will prevail over confrontation, and peace will replace war. The Chinese people are determined to work with the peoples of all countries and strive to build a world that has lasting peace, cooperation on the basis of equality, prosperity and development.

RADIO PROGRAM DISCUSSES DISARMAMENT CONFERENCE

OW080607 Beijing in Russian to the USSR 1800 GMT 2 Apr 87

[The "International Affairs" program; studio talk by radio commentator (Hung Bo): "Work of the UN Regional Conference in the Framework of the International Disarmament Campaign"]

[Text] [Announcer] Dear Soviet radio listeners, from 23 to 27 March, a United Nations regional conference, in the framework of the world disarmament campaign, was held in Beijing. Participants conducted businesslike discussions in a warm and friendly atmosphere on the issues of disarmament, international security, and relations between disarmament and development, in which the entire international community is interested. In today's International Affairs program, we shall discuss the work of this conference with our commentator (Hung Bo).

[[Hung Bo]] We were glad that the United Nations Organization held this regional conference in the framework of the international disarmament campaign in Beijing, the capital of our country. Wan Li, vice premier of the State Council, on behalf of the government and people of the PRC, spoke at the opening of the conference, sincerely congratulating the participants and stating that peoples of all countries resolutely demand active promotion of the disarmament process, and that the PRC Government will continue to make tireless efforts to preserve peace on earth.

The conference has successfully ended. Yasukuni Akaki, UN deputy secretary general for disarmament, said in an interview with a Beijing Radio correspondent that it was noteworthy that the conference had been held in a country like China, which has sincere aspirations for disarmament.

The conference discussed a number of difficult and complicated problems connected with disarmament. Despite certain differences of opinion among its participants, the atmosphere at the conference remained friendly and frank. Yasukuni Akaki also considered the conference very fruitful.

[Announcer] Today, the arms race, in particular the nuclear arms race between the United States and the Soviet Union, represents the greatest danger to the existence of mankind and world peace. Now the arms race is going out into space, which makes the international situation even more unstable, bringing about an increase in the threat of war.

That is why the majority of participants at the conference jointly demanded that the United States and the Soviet Union accept special responsibility for nuclear disarmament, be the first to discontinue the testing, manufacture, and placement of nuclear arms, and greatly reduce their nuclear stockpiles.

[[Hung Bo]] PRC Vice Foreign Minister Qian Qichen, spoke at the conference as a special guest speaker. He reiterated the consistent and principled position of the PRC, which opposes the arms race and does not participate in it. Qian Qichen said that the PRC stands for a total ban and complete destruction of all nuclear, chemical, biological, as well as space arms, and for a great reduction in conventional arms. He emphasized that the nuclear arsenals of the two superpowers today represent over 97 percent of the total world stockpile. These arsenals are over saturated and have superdestructive power. As our people say, whoever did it, has to undo it. That is why the United States and have an obligation to proceed with, nuclear disarmament.

[Announcer] The participants emphasized the importance of nuclear disarmament and did not neglect the importance and topicality of a reduction in conventional arms. Speakers demonstrated factually that, in the more than 40 years since World War II, there have been 150 regional wars, and 20 million people have perished, which exceeds the total number of victims in World War II. Despite the fact that only conventional arms were used in these regional wars, their killing and destructive power is constantly increasing. Moreover, one can suggest that a conventional war threatens to become a nuclear war under certain conditions. That is why the speakers sincerely appealed to peoples of all countries to rise up in the struggle to defend peace on earth, and for genuine disarmament.

[[Hung Bo]] Everyone knows that, since the first day it acquired nuclear arms, the PRC has solemnly declared that never, under any circumstances, would it use nuclear arms first. Last year, the PRC also declared that it would no longer conduct atmospheric nuclear tests. The PRC signed corresponding protocols on establishing nuclear-free zones in Latin America and the South Pacific. China's principled position on the issue of disarmament, and its efforts to implement disarmament met with general approval from the participants at the conference. They especially noted that the PRC's decision to reduce the People's Liberation Army by a million soldiers, transfer a considerable section of military industry to civilian production, and send its troops to participate in economic construction, demonstrated a clear example of promoting the world disarmament process.

Huan Xian, director of the International Study Center of the PRC State Council, a special guest at the conference, responded on this matter in his speech: We hope that other countries, in particular the United States and the Soviet Union, will take practical steps in the sphere of disarmament.

[Announcer] During discussion of the question of maintaining security in the Asia-Pacific region, many participants noted that the total withdrawal of the troops of the two superpowers from this region, and the dismantling of their military bases, is the key to the solution of the problem. They appealed to the countries of the region to make joint efforts to end the military confrontation of the two superpowers here.

The Malaysian representative pointedly said: The issue of security in the Asia-Pacific region must be solved only by the interested countries of the region by means of consultations. Any outside military interference would complicate the issue even further.

Representatives of the Asian and Pacific countries expressed particular concern over the threat of nuclear arms deployed here by the superpowers. They consider security in the Asia-Pacific region to be equally as important as that in Europe. In his speech, the Japanese representative indicated: Since the United States and the Soviet Union are now holding talks on the elimination of intermediate-range missiles in Europe, they should also adhere to the draft zero option in solving the problem of eliminating missiles in the Asian and Pacific region. His opinion was widely supported by the participants at the conference.

[(Hung Bo)] War and the arms race threaten the existence of mankind and slow down its development. That is why development requires disarmament. To see this, it is sufficient to cite figures. In 1986, the International Peace Year, about a fifth of the world population lived in poverty or was deprived of roofs over their heads, while expenditures for war or military preparations made up \$1 trillion, which represents an increase of 11.1 percent over the previous year. Here is another example: In the world, there are only 85 doctors per 100,000 people; however, there are 556 soldiers for the same number of people.

Participants in the conference indicated that war and the arms race swallow up tremendous amounts of wealth and resources, and have become one of factors slowing down the development of the economy. Many representatives said: let cooperation replace confrontation, and economic development replace the arms race.

BRIEFS

INDUSTRIAL EXHIBITION OPENS -- Beijing, April 3 (XINHUA) -- An international exhibition on chemical and petrochemical industries opened at the China International Exhibition Center here today. Some 50 companies and enterprises from more than 10 countries including the United States, France, Federal Germany and Poland, as well as Hong Kong are participating in the exhibition. About 10 seminars will also be held during the exhibition. The exhibits feature chemical and petrochemical equipment, various apparatus and instruments, as well as pollution control and safety equipment. The Hong Kong-based Adsale Exhibition Services Ltd., the sponsor of the exhibition, has put on more than 20 international exhibitions in China since 1980. This year it will hold exhibitions on building, automobiles, apparatus and instruments, and communications equipment in China. the 7-day exhibition will close April 9. [Text] [Beijing XINHUA in English 1130 GMT 3 Apr 87 OW]

NOBEL PRIZE WINNER BIOGRAPHIES -- Changsha, April 8 (XINHUA) -- A series of 536 biographies of Nobel prize winners has been published by the Hunan Scientific and Technological Publishing House. The series, written in Chinese, covers the life of the winners from 1901 to 1982, the reasons why they were chosen, pictures of each recipient, and an explanation of their great contributions. Editors of the series have included a complete account of the establishment of the award, the organizations involved and the criteria for awarding the prize. The series is expected to be popular with both Chinese and foreign readers, and many educators, scientific workers and scholars regard it as an indispensable reference text, while young readers regard it as a textbook. The current director of the Nobel Prize Foundation wrote the preface for the series. [Text] [Beijing XINHUA in English 1247 GMT 8 Apr 87 OW]

PRC OIL INDUSTRY MINISTER ENDS VISIT TO BURMA

OW081658 Beijing XINHUA in English 1446 GMT 8 Apr 87

[Text] Rangoon, April 8 (XINHUA) -- Chinese Oil Industry Minister Wang Tao and his party left here for home this afternoon after their one-week visit to Burma.

During his stay in Burma, Wang met Burmese Prime Minister U Maung Maung Kha and had talks with Burmese Energy Minister U Sein Tun on technical cooperation in petroleum industry.

The nine-member Chinese delegation also visited oil fields and studied work establishments and small pilot industries during the stay.

CAMBODIAN RESISTANCE LEADER TELLS XINHUA OF UNITY

OW081131 Beijing XINHUA in English 1122 GMT 8 Apr 87

[Text] West Kampuchea, April 7 (XINHUA) -- The three factions of the Coalition Government of Democratic Kampuchea have achieved closer unity in defeating Vietnam's dry-season offensive, General Dien Del of the Coalition Government said here today.

Dien Del, deputy commander of the Khmer People's National Liberation Armed Forces led by Son Sann, attributed the victory over the Vietnamese in the offensive to the closer unity and better cooperation within the Coalition Government.

The unity inside the National Front for the Liberation of the Khmer People has also been strengthened, Dien Del told Chinese reporters.

"As descendents of the Khmer nationality, we three factions have the obligation to get united and fight the Vietnamese aggressors," he said.

Lieutenant General Thou Thib of the Khmer People's National Liberation Armed Forces, who just returned to the border region from [the] central provinces, also said his forces cooperated well with the troops of the Democratic Kampuchean side led by Khieu Samphan.

Thou Thib said they exchange information with the other two factions so that they are always well prepared. He cited a battle in Kompong Thom, central Kampuchea, in January in which 20 soldiers of the resistance forces overwhelmed 60 Vietnamese troops. "The Vietnamese just fell into our ambush," he said.

"We shall cooperate even better and deal heavier blows to the enemy. A closer unity of the three factions will bring a sooner resolution to the Kampuchean issue," Dien Del said.

THAI MINISTER URGES SRV PULLOUT FROM CAMBODIA

OW081327 Beijing XINHUA in English 1312 GMT 8 Apr 87

[Text] Bangkok, April 8 (XINHUA) -- Once Vietnam withdraws all its troops from Kampuchea, the relations between Vietnam and Thailand, ASEAN and the relations between the Soviet Union and Thailand, ASEAN would be improved accordingly, said Thai Foreign Minister Sitthi Sawetsila here today.

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He made this remark when meeting a Chinese journalists' delegation. Sitthi said the solution to the Kampuchean problem is to let the Kampuchean people decide its own destination after Vietnamese withdrawal.

The future Kampuchean Government should be a neutral one, not causing any harm to neighboring countries.

The Thai foreign minister noted that during the recent Southeast Asia trip of Soviet Foreign Minister Eduard Shevardnadze, Moscow proposed that the Kampuchean problem can be solved according to the model of the settlement of the Afghanistan problem. However, Sitthi said that Thailand maintains that the situation of Kampuchea differs from that of Afghanistan.

He added that the Soviet Union recognizes the Heng Samrin regime as a legitimate government, but Thailand does not recognize it because the regime is an outcome of the Vietnamese aggression against Kampuchea and it is being propped up by Hanoi.

Sitthi remarked that the Sino-Thai relations are good and there are frequent exchanges between the two countries.

The Chinese journalists' delegation arrived here on April 6 for a two-week visit.

PRC, PHILIPPINES SIGN SCIENTIFIC COOPERATION ACCORD

OW081415 Beijing XINHUA in English 1403 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- A protocol of the eighth session on scientific and technological cooperation between China and the Philippines was signed here today.

According to the protocol, the two sides agreed on 18 cooperative projects covering forestry, agriculture, public health, transport, water conservation and electric power, seism [as received], coal industry and aquatic products.

Dong Zhiyong, head of the Chinese delegation to the session and vice-minister of forestry, and Florian A. Alburo, head of the Philippine delegation and deputy director general of the National Economic Development Authority, signed the document on behalf of their respective governments.

Yan Jici, vice-chairman of the Chinese National People's Congress Standing Committee, attended the signing ceremony.

Before the signing ceremony, Yan met Alburo and his party. During their cordial conversation, both sides expressed hope for increased friendship and cooperation between the two countries.

Yan said since the signing of the agreement on Sino-Philippine scientific and technological cooperation in 1978, the two countries have undertaken 127 cooperative projects.

Alburo said that those projects agreed upon before have already produced results, and that the protocol to be signed today further manifests the common desire of both countries to share expertise and scientific results for mutual advantage.

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SWEDISH PRIME MINISTER LEAVES BEIJING FOR XIAN

Zhao, Carlsson Comments

OW080004 Beijing XINHUA Domestic Service in Chinese 1549 GMT 7 Apr 87

[Text] Beijing, 7 Apr (XINHUA) -- Swedish Prime Minister Ingvar Carlsson and Mrs Carlsson left Beijing for Xian and Shanghai by special plane this morning in the company of Minister of Communications Qian Yongchang.

Prior to the departure of these distinguished guests, Premier of the State Council Zhao Ziyang went to the Diaoyutai State Guesthouse to say good-bye to them.

Zhao Ziyang said to Carlsson: I believe that you will be warmly welcomed by the Chinese people wherever you go. You can contact our people of all quarters. Apart from cooperation at the state level, you can develop cooperation with some of our provinces and cities. This is very important. Because China is big, each province and city has its own characteristics and holds considerable decisionmaking power.

Carlsson said: Through this visit, I have found that the two sides have many similar views on international issues. I have also seen the prospects of China's development and the problems it is confronted with. I am looking forward to visiting other parts of your country, especially Shanghai, which maintains close relations with the city of Goteborg, Sweden.

Before noon, the distinguished guests arrived in Xian. With great interest, they visited the terracotta army exhibition.

Carlsson and his wife also visited the Forest of Steles in Xian. At noon, Governor of Shaanxi Province Zhang Boxing held a banquet in honor of the distinguished Swedish guests. In the evening, Carlsson and his wife arrived in Shanghai from Xian by plane. Vice Mayor of Shanghai Huang Ju welcomed the distinguished Swedish guests at the airport on behalf of Mayor Jiang Zemin.

Shanghai Banquet Held

OW082038 Beijing XINHUA in English 1918 GMT 8 Apr 87

[Text] Shanghai, April 8 (XINHUA) -- The Shanghai Municipal Government today held a banquet in honor of Swedish Prime Minister Ingvar Carlsson, his wife and their party.

On behalf of Mayor Jiang Zemin, Vice-Mayor Huang Ju said in his toast that at present Shanghai has carried out cooperation in economy and trade with more than 160 countries and regions, and it is willing to develop economic cooperation and expand trade contacts with Sweden.

Carlsson said that Sweden and Shanghai have a long-standing history of friendly relations. Yet trade contacts have never been as frequent as today. He hoped that Sweden and Shanghai would expand their cooperation in trade, economy, technology, culture and education.

This morning Carlsson visited the Chiangnan Shipyard and the Yuyuan Garden, and later went for a boat excursion on the Huangpu River.

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GU MU MEETS FINNISH FOREIGN TRADE MINISTER

OW071431 Beijing XINHUA in English 1410 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- State Councillor Gu Mu met here today Jermu Laine, chairman of the supervisory board of Finnfund (Finnish Fund for Industrial Development Cooperation Ltd.) and Finnish minister of foreign trade, and his delegation.

The Finnfund delegation has come here as guests of the China Council for the Promotion of International Trade.

ZHANG JINGFU CONTINUES ACTIVITIES DURING FRG VISIT

Genscher's Confidence

OW061734 Beijing XINHUA in English 1601 GMT 6 Apr 87

[Text] Bonn, April 6 (XINHUA) -- Federal Germany has firm confidence in China's determination to pursue its open policy, Federal Foreign Minister Hans-Dietrich Genscher said here today.

Genscher made the remarks at talks with visiting Zhang Jingfu, Chinese state councillor and head of the Chinese delegation to the 1987 Hannover Industrial Fair.

Briefing Genscher on the Chinese political and economic situation, the on-going internal reform and open policy, Zhang said China will not change its present policies.

Federal Germany wishes to promote its political, economic and cultural cooperation with China, Genscher said. Both sides expressed satisfaction on the development of bilateral relations.

Zhang also met today with Albert Probst, parliamentary secretary of state of the Federal Ministry of Research and Technology, for discussions on scientific and technological cooperation between the two countries.

At a banquet in Zhang's honor, the Chinese state councillor told Federal German Minister of Economic Cooperation Hans Klein that China will further its economic and technical cooperation with Federal Germany.

Zhang Opens Office

OW071433 Beijing XINHUA in English 1407 GMT 7 Apr 87

[Text] Bonn, April 6 (XINHUA) -- The China Association for International Exchange of Personnel (CAIEP) today proclaimed the founding of its representative office in Cologne, the first it has ever set up in Europe.

The aim of the association is to promote the exchange of people with professional knowledge between China and other countries, Zhang Jingfu, chairman of the CAIEP, said at a reception he gave tonight to celebrate the office's establishment.

Zhang, who is also a state councillor, said personnel exchange is an important component part of China's policy of reform and opening to the outside world and it will be conducive to the realization of the country's four modernizations.

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Zhang said that he hoped China and Federal Germany will increase personnel exchange and that China welcomes more German technical and management experts to work in China.

Norbert Burger, mayor of Cologne, and Otto Wolff von Amerongen, chairman of the East Economy Committee of Federal Germany, also spoke at the reception and expressed their welcome to the establishment of the office.

Ends Visit

OW071916 Beijing XINHUA in English 1804 GMT 7 Apr 87

[Text] Bonn, April 7 (XINHUA) -- Chinese State Councillor Zhang Jingfu and his delegation today wound up a nine-day visit to Federal Germany and left for home.

Zhang and his delegation arrived in the country on March 30 at the invitation of the Federal German Government.

During the visit, Zhang met with Federal German Chancellor Helmut Kohl and Foreign Minister Hans-Dietrich Genscher to discuss bilateral trade relations and technical cooperation.

Zhang also received some German economists and visited a number of factories and corporations.

PRC SIGNS CONTRACTS AT INDUSTRIAL FAIR IN FRG

OW082150 Beijing XINHUA in English 1932 GMT 8 Apr 87

[Text] Bonn, April 8 (XINHUA) -- The 1987 Hannover Industrial Fair, highlighting industrial automation technology and mechanical equipment, closed today in Hannover, Federal Germany. The annual international fair received 490,000 visitors since it opened on April 1, 100,000 more than it received last year. Nearly 6,000 industrial enterprises from 50 countries and regions took part in the fair, including 3,918 enterprises in Federal Germany and 1,797 enterprises in other parts of the world.

China participated in the fair as a partner country. Since 1980, the fair organizers have chosen a developing nation to be partner in the annual show to promote economic cooperation between the developing and developed worlds.

The "China Hall", which covered an area of 2,000 square meters, featured Chinese machinery, chemicals, electronics, aviation, space, shipbuilding and metallurgical products.

A Chinese delegation, led by Chinese State Councillor Zhang Jingfu, attended the fair. Federal Economic Minister Martin Bangermann and other federal officials visited the China Hall. During the fair, the Chinese delegation signed a number of contracts with foreign countries and said on many occasions that China adheres to its present open policy.

BRIEFS

SINO-TURKISH AIR SERVICE -- Istanbul, 29 Mar (XINHUA) -- China and Turkey signed an agreement on a Sino-Turkish air service in Istanbul on 28 March. This service starts from Beijing and ends in Istanbul via Urumqi City and Sukkur City. A Chinese friendship delegation will visit Turkey, taking the Civil Aviation Administration of China's maiden flight on 30 April. [Text] [Beijing XINHUA Domestic Service in Chinese 0716 GMT 29 Mar 87 OW]

JORDANIAN PRINCESS OPENS STAMP EXHIBITION

OW071114 Beijing XINHUA in English 1055 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- A stamp exhibition from Jordan opened this morning at the China Philatelic Museum in Beijing.

The exhibit is part of the festivities celebrating the 10th anniversary of the establishment of the diplomatic relations between China and Jordan.

Zhu Xuefan, vice-chairman of the National People's Congress Standing Committee, and the Jordanian Princess Alia al-Husayn, eldest daughter of King Husayn, cut the ribbon to open the exhibition which features stamps reflecting Jordan's civil aviation, tourism, history and social life.

Zhu, who is also honorary president of the All-China Philatelic Federation, presented Princess Alia, honorary president of the Jordanian Philatelic Club, with two pre-stamped commemorative envelopes issued to mark the occasion.

After looking the exhibition over, Zhu told the princess the stamps on display are well-designed and some are quite valuable.

Meets Tian Jiyun

OW071921 Beijing XINHUA in English 1733 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- Chinese Vice-Premier Tian Jiyun this evening met Princess Alia al-Husayn, eldest daughter of King Husayn of the Hashemite Kingdom of Jordan at her country's embassy here.

Tian welcomed the princess to China on the occasion of the 10th anniversary of the establishment of diplomatic relations between China and Jordan.

Afterwards, Tian Jiyun and Alia attended a banquet held by Jordanian Ambassador to China Kamal al-Hamud.

Ambassador al-Hamud said at the banquet that the princess's current visit indicates that Jordan cherishes its friendship with China.

He said he believed that relations between Jordan and China would surely become more solid and develop further, in tandem with China's relations with the rest of the Arab world.

Tian said that since the establishment of diplomatic relations between China and Jordan, bilateral cooperative relations have enjoyed a sound development.

He said that the visit of President Li Xiannian to Jordan and the two visits of King Husayn to China have made outstanding contributions to the bilateral friendly cooperative relations.

Tian reiterated that the Chinese Government and people cherish Sino-Jordanian friendly relations and will make efforts to develop such relations.

Reception Marks Relations

OW081726 Beijing XINHUA in English 1624 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- A reception marking the 10th anniversary of the establishment of diplomatic relations between China and Jordan was held in the Great Hall of the People here today by the Chinese People's Association for Friendship With Foreign Countries. Wang Renzhong, vice-chairman of the National People's Congress Standing Committee, and Alia al-Husayn, eldest daughter of King Husayn of Jordan attend the reception. Zhang Wenjin, president of the Chinese People's Association for Friendship With Foreign Countries, and Jordanian Ambassador to China Kamal al-Homud, proposed toasts at the reception.

JORDAN URGES CONTINUED ACTIVITY IN MIDEAST ISSUE

OW080440 Beijing XINHUA in English 0212 GMT 8 Apr 87

[Text] Amman, April 7 (XINHUA) -- Jordan hopes that China will continue to play an active role in the Middle East peace [as received], Jordanian Acting Foreign Minister Dhuqan al-Hindawi said here today. The Jordanian minister was speaking at a banquet given by Chinese Ambassador Zhang Zhen this evening on the occasion of the 10th anniversary of the establishment of diplomatic relations between China and Jordan.

Al-Hindawi paid tribute to the steady development of relations between the two countries, which has been strengthened since the exchange of visits of King Husayn and President Li Xiannian three years ago.

The Chinese ambassador reiterated in his speech China's support to the Jordanian, Palestinian and other Arab people's just struggle against Israeli policies of aggression, and expressed his appreciation of King Husayn's efforts for the convocation of the proposed international conference on the Middle East peace. The Chinese ambassador also noted the satisfactory development over the past 10 years of the Sino-Jordanian cooperation in various fields.

CHEMICAL MINISTER LEAVES FOR TUNISIA, KUWAIT

OW071946 Beijing XINHUA in English 1746 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- Qin Zhongda, Chinese minister of chemical industry, left here today to visit Tunisia and Kuwait at the invitation of Slahedine Ben Mbarek, Tunisian minister of industry and trade, and Al-Khalifa al-Sabah, Kuwaiti minister of oil.

Qin was seen off at the airport by Lin Yincui, vice-minister of chemical industry, and Taoufik Smida, Tunisian ambassador to China.

CHU TUNAN MEETS AFRICAN TRADE UNION GROUP

OW072010 Beijing XINHUA in English 1636 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- Chu Tunan, vice-chairman of the Chinese National People's Congress Standing Committee, met here today with H. Robinson Sikazwe, treasurer general of the Organization of African Trade Unions Unity, and representatives from trade unions of 13 African countries. The African visitors have come here to participate in a symposium on "trade union role in development."

CUBAN PARLIAMENTARY DELEGATION'S VISIT CONTINUES

Talks with Huang Hua

OW081235 Beijing XINHUA in English 1227 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Huang Hua, vice-chairman of the National People's Congress Standing Committee, held talks with a delegation of the National Assembly of People's Power of the Republic of Cuba led by President Flavio Bravo here this morning.

During the talks they gave an account of their respective parliaments' composition and functions.

Present were members of the NPC Standing Committee Zeng Tao, Zhang Zhixian and Han Zheyi.

Meets Ulanhu

OW081608 Beijing XINHUA in English 1557 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Chinese Vice-President Ulanhu said here today that China will continue its efforts to improve and develop the relations between China and Cuba on the basis of the five principles of peaceful coexistence.

Ulanhu made this remark at a meeting with a delegation of the National Assembly of People's Power of the Republic of Cuba led by its President Flavio Bravo. Ulanhu expressed a warm welcome to the Cuban parliamentary delegation on their visit to China on behalf of Chinese President Li Xiannian and the Chinese Government.

He said that a Chinese delegation from the National People's Congress visited Cuba last September. The two countries' foreign ministers have met twice at the General Assembly of the United Nations and their deputy foreign ministers have also exchanged visits.

All these contacts, the vice-president said, shows that in recent years the relations between China and Cuba have enjoyed some improvement and development through their joint efforts.

Their relations in such fields as education, science and technology, culture, sports and health work have been strengthened and developed gradually, Ulanhu said.

He hoped that China and Cuba would join their efforts for the maintenance of world peace.

Ulanhu said that in the 20-odd years since the victory of the Cuban revolution, the Cuban Government and people have made a series of achievements in safeguarding state sovereignty and independence, and in the struggle to build up their own nation. Bravo said that the Cuban Government and people are delighted that the Chinese Government and people are sticking to the socialist road.

Bravo said that both Cuba and China want to develop their own economies and solve the problems they are facing. Therefore, the two countries need to understand each other to promote their friendship.

He said that in recent years bilateral relations have improved in all fields, including trade, and science and technology. He said that the further development of bilateral relations would be conducive to consolidating and developing the traditional friendship between the two countries.

In the morning Huang Hua, vice-chairman of the National People's Congress Standing Committee, held talks with Bravo and his delegation.

Tian Jiyun Meets Cubans

OW081855 Beijing XINHUA in English 1822 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Vice Premier Tian Jiyun met here today with a delegation of the National Assembly of People's Power of the Republic of Cuba led by its President Flavio Bravo.

Tian said that China and Cuba have not only increased cooperation in education, health work, culture, sports and other fields but also have restored economic and trade ties in recent years. "We are willing to make joint efforts with Cuba to promote such cooperation between the two countries," he said.

He expressed the belief that the delegation's visit to China would contribute to the expansion of bilateral friendly cooperation.

During the meeting Tian briefed the Cuban visitors on China's economic development and the reform of its economic system being undertaken in China.

At present, he said, the fact that China's economy has gradually been orbited into the path of sustained and health growth cannot be separated from its policy of reform, opening to the outside world and enlivening the domestic economy.

China's reform and opening to the outside world is being carried out under the prerequisite of the four cardinal principles, namely, adherence to the socialist road, the people's democratic dictatorship, the leading role of the Communist Party, and Marxism-Leninism and Mao Zedong Thought, he added.

If China's reform keeps to the socialist system, spurs the development of social productive force and improves the livelihood of the people, then the reform is successful, Tian said.

LI XIANNIAN MEETS BELIZE PREMIER EQUIVEL 8 APR

OW081309 Beijing XINHUA in English 1257 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Chinese President Li Xiannian said here today China hopes Latin American countries will be good neighbors and coexist peacefully.

Li said: "China has always believed the internal affairs of Latin American countries should be solved by the people of those countries without foreign interference."

Speaking at a meeting with Manuel Esquivel, the visiting Belize prime minister, Li said: "The Chinese Government's position has always been to support Belize in its just cause of safeguarding national independence and state sovereignty."

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"The dispute between Belize and Guatemala is a problem left over by colonialists," Li said, "and China hopes the two countries will find a fair and reasonable solution to the issue as soon as possible through peaceful negotiations."

The Chinese president spoke highly of the achievements made by the Belize Government under the leadership of Prime Minister Esquivel, saying: "Countries, large or small, are all equal and should strengthen exchange and mutual understanding."

Esquivel said: "Belize needs a peaceful international environment favorable to its national construction."

Li responded by saying: "The world faces two major issues, peace and development, and while Third World countries need peace and development, peoples of other countries all need the same conditions."

The Belize prime minister said: "China is the first Asian country he has ever visited and he wants to see more of China to better understand it." [sentence as received]

PRC TO EXPORT F-7M FIGHTER AIRCRAFT TO BRAZIL

OW081349 Beijing XINHUA in English 1339 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- China is expected to sell its F-7M fighter aircraft to Brazil, a well-informed source told XINHUA here today. Negotiation between the two governments is now progressing smoothly, he said. As a cooperative project of the two countries, it has received full support from the Chinese ministries and departments concerned, he added.

The F-7M airguard is a light tactical single-seat fighter aircraft manufactured in China.

The range of armament available with the F-7M airguard includes air-to-air missiles, air-to-air and air-to-ground rockets, 30 mm cannon and a range of bombs from 50 kg to 500 kg. It has a maximum speed of 2,175 km per hour and a maximum ferry range of 2,230 km.

This kind of aircraft has already been exported to some countries before.

GU MU MEETS FORMER CANADIAN FOREIGN MINISTER

OW031243 Beijing XINHUA in English 1223 GMT 3 Apr 87

[Text] Beijing, April 3 (XINHUA) -- Chinese State Councillor Gu Mu today met with former Canadian Foreign Minister Paul Martin and visiting experts from the Canada Steamship Lines Inc.

As the guests of the Chinese State Economic Commission, Martin and his party attended the symposium on China's application of self-unloading technology and economic issues held here between March 31 and April 2, which was sponsored by the Management Research Center of the Commission and the Chinese People's University.

During the meeting, Gu Mu and Martin explored into manufacturing technology on self-unloading and management.

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PENG ZHEN MEETS HONG KONG, MACAO REPORTERS

OWD91423 Beijing Television Service in Mandarin 1135 GMT 8 Apr 87

[Interview with NPC Standing Committee Chairman Peng Zhen, with introduction by Peng Chong, at the Great Hall of the People at 0930 GMT this afternoon by Hong Kong and Macao news reporters who came to cover the Fifth Session of the Sixth NPC and the Fifth Session of the Sixth National CPPCC Committee -- recorded]

[Text] [Peng Chong] At your request, Chairman Peng Zhen will spare some time to meet with you here. The meeting will begin at 1730, and I hope it will end 1 hour later. After the meeting concludes, the NPC Secretariat would like to invite you to a dinner. You have been working hard during these two sessions. Your work has successfully ended. As for the form of today's meeting, you may raise questions first, and Chairman Peng will provide the answers.

[Peng Zhen] You people have come to cover the NPC and CPPCC sessions. Several press conferences were held. I watched the press conferences on television. Today, you would like to see us. Here we are: the three of us -- I, Vice Chairman Chen Pixian and Vice Chairman Peng Chong -- and many other comrades. I believe that you are also familiar with Comrade Zeng Tao here. In short, we welcome you. In fact, we have already said what I would like to say. [laughter]

At the same time, we live in Beijing and have worked here everyday for a long time. Some of the things you see as strange may be quite ordinary to us. We have little to say about such things. However, you people are from Hong Kong and Macao. You are the first group covering the sessions. As a matter of fact, when you look around, you will understand things. You will know clearly what is happening in a particular place when you look around with your own eyes. Meanwhile you people are all experienced. I just saw the namelist of reporters present here. All of you are experienced. This is the first point.

The second point is: You can make comparisons. What does Hong Kong look like? What does Beijing look like? How are other localities? You may make comparisons. Therefore, you are welcome to take a good look here. After the sessions, there are other places that you can visit. You may look at those places. In short, you have clearly seen everything. What else can I say? [laughter]

There is not much I can say. Anyway, you are welcome to raise questions. Please let me know whatever you want me to talk about. On whatever I discuss, I have one principle. With regard to what I say, some instances count, while others do not. [laughter]

Those that are correct count, but those that are incorrect naturally do not count. Many things are correct, but some people do not agree. We have to debate them again. If I say something wrong, our vice chairmen and the comrades from various NPC special committees may provide supplements to my views. Not only can they provide supplements, they may also set things straight and correct whatever I said inappropriately or unclearly. Just as Vice Chairman Peng Chong mentioned, you are now welcome to raise questions.

[WEN WEI PO] I am from WEN WEI PO based in Hong Kong. Comrade Chairman, as I recall, during the 1986 NPC session you remarked: We must now rectify the situation in which policy is above law. Your remark received favorable response from the deputies.

However, during the current NPC session we have heard that some deputies still say that such a situation remains, i.e., policy is still above the law, and moreover what leaders say is above policy. What is your view and solution to such a situation?

My second question concerns the relationship between the political structural reform and the NPC. During the Sixth NPC, Comrade Chairman, you have done a tremendous amount to improve the legal system and strengthen the NPC's role in national life. Looking ahead to the next National People's Congress, what do you think the NPC should do in coordination with the political structural reform so that China's political system can further improve.

[Feng Zhen] Which comes first, the policy or the law? It is hard to explain. What do you think, the Constitution or policy? None of our current policies surpass the authority of the Constitution. As the state has its Constitution, the CPC has its party Constitution. Are some of our policies above the party Constitution? It is difficult for me to explain. Our policies in general are formulated on the basis of the Constitution, and the CPC's policies are within the limits of the party Constitution. This is one of my points. However, there are problems in general. For example, from now until the stage of communist society, we must adopt a series of policies which are not included in existing laws. However, the CPC Constitution states that our ultimate goal is to build a communist society. Until then, we must adopt many policies, now and in the future. Therefore, in this sense, a policy covers a broader area than a law.

At the same time, our policies are divided into two categories: One of them includes policies that have proved correct and effective in practice, and thus have been formalized as laws. Through established procedures they have been either incorporated into the Constitution or enacted as laws. This is part of the NPC's work. New problems arising in the course of events should be solved according to policies. Satisfactory solutions to problems should lead to the enactment of the policies into laws. Hence, policy covers a broader sense than law. In formulating a policy, we can even include outlines of problems that we anticipate in the future. Therefore, policy and law are interrelated. Many policies are worked out on the basis of laws. For example, policies in the reform are based on the Constitution, the law on which our country is founded, and other laws.

The CPC also solves new problems according to the party Constitution, which contains the party's rules and regulations, and which, to the CPC, is like the Constitution to the PRC. This is the law. As for future problems, we must explore ways to solve them because we cannot find answers from the laws. When conditions are ripe, we will write down the ways we have solved our problems into laws. I really cannot explain the difference between the two. This is approximately the interrelationship between a law and a policy. Do you agree?

For instance, consider the laws enacted by the NPC. We have so far adopted 57 laws, or 58 including the Constitution. However, there are still things that must be written into laws, including, as you know, the enterprise law which is under deliberation at the current NPC session. We have decided to continue to implement the factory director's responsibility. However, there are a few concrete problems we are still trying to solve, and opinions differ regarding these problems. This is why the enterprise law has not yet been adopted. Then which comes first, the enterprise law or the factory director's responsibility system? The latter is our policy but has not been enacted.

Another example is the organic law for villagers' committees that we have discussed. Our original plan was to adopt this law at the current session. But we now feel that many concrete questions remain to be solved, and there are certain aspects concerning legislation that have not been carefully and adequately considered. Comrades may have to put forward more opinions. Therefore, our original plan may be changed.

There are certain things for which laws have not been enacted. There are many such examples such as opening to the outside world and reform. We must open to the outside world.

Incidentally, I would like to say something here: In the past, our country suffered a lot from seclusion. I need not refer to the remote past; just look at the history over the past century and a half. From the time around the Opium war to the present, there was a period of seclusion and this was the period from the late Qing dynasty to the founding of the People's Republic. For some time following the founding of the People's Republic, our country was blockaded by others and we could not open to the outside world even if we wanted to do so. Whether we wanted to open or not, we were blockaded by others. For a century and a half until the 3d Plenary Session of the 11th CPC Central Committee, because of our seclusion and failure to open ourselves to the outside world, we suffered a lot and our country's prosperity was affected.

A review of our history shows that when our country was prosperous, it was an open country. For instance, you all know the history of Zheng He, known as the Sanbao Eunuch, who led a mission to Southeast Asia, Africa, and the West. This was at the time of the Ming Dynasty during the reign of Emperor Chengzu, a prosperous period in Chinese history. If we review our history back to the Qin and Han Dynasties, we can see more examples showing that whenever our country was prosperous, it was open to the outside world rather than being seclusive. In particular, during the past century and a half when foreign powers invaded China, we adopted a policy of seclusion instead of countering the invasion. The results of this policy were not successful.

Of course, we must open to the outside world, but there are many questions involved. As for the laws in this regard, we have authorized the State Council to formulate regulations, when necessary, in the course of opening to the outside world. There are now numerous policies in this regard, but many laws have yet to be enacted. We have authorized the State Council to formulate provisional statutes or other regulations when necessary. There are many such statutes and regulations, but none is over and above the Constitution. They are all subject to constitutional guidance. Their number far exceeds the 57 laws, but I cannot give you a definite number. During the period of the Sixth NPC alone, the number of provisional statutes and regulations formulated by the State Council is more than the laws enacted by the NPC though I cannot give a definite number right now.

The other question is reform. With regard to reform, there are many things we must probe, but the principle of reform has been established. How can we do without reform?

Previously, we followed old practices. In the beginning, we felt they were quite good. We followed the examples of the Soviet Union. At that time we could only learn from the Soviet Union because it was an old socialist country. It was willing to give us what we needed in various fields, including equipment. As you know, there was (?project 156). Many of our current big enterprises had their foundations laid at that time. The Soviet Union was willing to help us, and we could only learn from the Soviet Union. Not only did we have (?project 156) but we also learned from the Soviet Union how to develop industry.

In addition, our First 5-Year Plan was formulated in Moscow. Comrade Li Fuchun led a group there to formulate the plan and some Soviet experts helped in the work. Even the tractors we used in farming were selected with Soviet assistance. The (Detou)-54 tractor was too big and was not suited for many localities of southern China. However, after Soviet experts made an inspection tour of Beijing, Hebei, Henan, and Hubei, it was decided that this model be selected. This was how the decision was made. You may say that this was not the correct way to deal with the question, but at that time even if we had approached others for help, no one else would have told us what to do.

They established a blockade against us and did not regard us as representing China; they recognized Taiwan. At that time we could only learn from the Soviet Union. After learning from the Soviet Union, we felt that our First 5-Year Plan was fairly good, and later we felt that we were doing quite well.

However, after the 3d Plenary Session of the 11th CPC Central Committee, we felt that many things had to be drastically changed. One of the reforms was our own reform; namely, we should no longer talk about taking class struggle as the key link. At times, we need to take class struggle as the key link and at other times we need to take national struggle as the key link; for example, during the period of the War of Resistance Against Japan. During the Soviet period and the liberation war period, we needed to take class struggle as the key link as was the case during the early period after the founding of the People's Republic. Wasn't class struggle taken as the key link in conducting land reform? When socialist reform was basically completed, did we still have to take class struggle as the key link? How could we take class struggle as the key link after the elimination of the landlord and other bourgeois classes? Later there was a preposterous phenomenon. When they could not longer find the bourgeoisie, they tried to look for it within the party. Internationally, it was hard to explain that you could find bourgeoisie within the Communist Party, the vanguard of the proletariat. In reality, this was erroneous so we changed it. The 3d Plenary Session of the 11th CPC Central Committee set forth tasks to develop socialist productive forces and achieve the four socialist modernizations, or building socialism with distinctive Chinese characteristics. To carry out these tasks it is imperative to conduct reform.

Many of our original practices must be reformed. The first one is the overly excessive and rigid control exercised by the central authorities. We say that our system of ownership is ownership by the whole people. What are the enterprises with ownership by the whole people? They are state-owned enterprises. State-owned enterprises are enterprises owned by the whole people because they belong to the 1 billion people as far as their ownership is concerned. In the broad sense, when our previous treaties on Hong Kong and Macao are abrogated, these places will also belong to the whole people. When the Taiwan question is solved, Taiwan will also belong to the whole people. They will belong to the approximately 1 billion Chinese people. Now the population of the mainland is 1 billion, and this plus the people of Taiwan, Hong Kong, and Macao will come to a total of some 1 billion. The ownership belongs to these 1 billion people.

However, operations are to be undertaken by the state. What I am talking about here is the situation in the future. Currently, the above-mentioned enterprises on the mainland are operated by the state, but this does not mean that everything should be under the direct control of the state. The gross output value of state-owned industry accounts for 70 percent of the total industrial output value. There are so many enterprises, big and small, in so many fields. Are they all included in the category of industry? No. When I say industry, I mean industrial and mining enterprises. Since they are all state-owned, how can the state take care of so many things? In past practice, we learned from the Soviet Union; their work plans were drawn up by the central authorities; and many plans were mandatory. Even the allocation and transfer of materials for these enterprises were mandatory. This was too rigid control which made it impossible for enterprises and local authorities to give full play to their enthusiasm, creativity, and initiative. During the Cultural Revolution, we let government operate industry. This was a big mistake, not a small mistake, in our work, and it was a disaster. Even with this mistake, which hampered the development of our work, the speed of our social development was fairly fast. We can see our fairly fast development by reviewing the changes that have taken place since the founding of the People's Republic. Take the entire country as an example. At the time of liberation in 1949, no one rode in cars. Look at the current situation in Beijing and you will see the fast development. According to our objective conditions, however, we could have developed still faster even though there was the Cultural Revolution.

The reason for the slow development was the overly excessive and rigid control exercised by the central authorities; this resulted in units not being able to bring their initiative into full play. Therefore, our Constitution contains a provision allowing enterprises to have certain decisionmaking powers for independent operations according to the law. There is an article in the Constitution to this effect, though I cannot remember the exact wording. As for collectively owned enterprises, their power for independent operations need not be mentioned.

We will carry out all sorts of reform on our way ahead, but we have not yet legislated -- and we cannot possibly legislate -- how we will carry out these reforms. This is because we have not yet started to reform, and legislation should be based on mature experiences gained from reforms. Currently, our reforms have either not yet started or have just started. For those that have started, we are still at the stage of exploring and experimenting here and there. This resembles climbing Mount Qomolangma; before we find a way, we have to probe here and there. It is impossible to already have a law enacted before proceeding with our reforms. Although this issue was considered when we drew up the Constitution, no specific details were worked out for we did not have a full concept of the issue at the time. Later the State Council drew up some rules and regulations, but we still felt that the conditions were not yet ripe for legislation. Legislation must proceed cautiously and seriously. Only when the law is enacted cautiously and seriously can it be followed, and only when a law can be followed will it be followed. When a law is not completely correct, it cannot be followed completely. If the law itself has this or that defect, how can it be followed and how can any breaching of that law be investigated and handled? It is not only my idea that legislation must be cautious and serious. It is an experience gained by NPC Standing Committee members from their work during the past several years.

However, the State Council cannot proceed with reforms without laws, and if it cannot not proceed, no experience can be gained: But laws cannot be enacted without being based on experience. To solve this problem, the NPC Standing Committee proposed to the NPC that the State Council be authorized to draw up some provisional rules and regulations to meet the needs arising from carrying out reforms and opening to the outside world. There are a considerable number of such provisional rules and regulations by which we can proceed with carrying out reforms and opening to the outside world. Whenever the State Council feels some rules and regulations are needed, it will proceed to draw them up some. (?Since this should primarily be) the responsibility of the NPC Standing Committee, it proposed to the NPC that the State Council be authorized to draw up rules and regulations as needed. Of course, the NPC Standing Committee, but the NPC Standing Committee would have acted against the Constitution if it had, by itself, authorized the State Council to do so. Thus, in 1985, the NPC Standing Committee proposed to the NPC that the State Council be authorized to draw up rules and regulations needed in carrying out reforms and opening to the outside world. This is a very complicated matter. I do not think I can give you a very clear answer except a general idea. If you feel there is anything improper or unclear, please feel free to ask.

[Hong Kong Asia television station] My question is: There are reports about reformers and conservatives in China's leading hierarchy; they say you are not a reformer. What is your comment on this observation? The reports also say that you are eager to become a member of the Political Bureau Standing Committee of the CPC Central Committee. Are these reports correct?

[Fen Zhen] Your Cantonese or my hearing problem? Your first question is about reformers and conservatives. Those foreign reporters can say whatever they want since we all have freedom of speech. We have to let them say what they want to say. In actuality, however, we have only one faction, the Marxists. According to our Constitution, this is the only faction we have. Reform is a Marxist-Leninist undertaking.

Since Marx is the originator of Marxism-Leninism, what is Marxism? Lenin said that Marxism is critical by nature. The meaning of being critical is very clear: We must distinguish right from wrong. Under Marxism, we have to distinguish what is good and practical from what is impractical or wrong. Comrade Mao Zedong said that everything divides into two. This is to say Marxism is critical by nature. What does criticism mean? It means revolution. After making revolution, the bourgeoisie does not make it again. After making revolution, the bourgeoisie considers everything reasonable which was considered unreasonable in the past. But this is not what Marxism maintains. Marxism is critical and calls for continued reform. What is reform? Reform takes a very long time. When reform reaches its final stage, the transition from capitalism to communism through socialism will be completed. This is the entire process.

As you comrades know, we are now stressing the need to uphold the four cardinal principles. These cardinal principles involve the party, the state, and so on and so forth. During the entire transitional period of socialism, the economy and the material and spiritual civilizations are developed by practicing socialism. Some people advocate the practice of socialism while others oppose it. Then, who will lead the people in practicing socialism? The Communist Party leads the people in practicing socialism. Communist Party leadership means leadership by the vanguard or the advanced and organized part of the working class in practicing socialism. This calls for strengthening the party. At the same time, it is necessary to exercise the dictatorship of the proletariat as Lenin called it; we call it the people's democratic dictatorship led by the working class. Ours is a socialist country under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants; this is written into Article 1 of our Constitution.

In exercising people's democratic dictatorship, a high degree of democracy is practiced among the people, while dictatorship is exercised over the enemies or hostile forces or elements of socialism and the people. This is why Comrade Mao Zedong said: Our people's democratic dictatorship led by the working class and based on the alliance of workers and peasants is essentially the dictatorship of the proletariat.

In classic works, the dictatorship of the proletariat is not called the same under different circumstances. It is called this or that under different circumstances. Lenin said that the so-called dictatorship of the proletariat means leadership by the proletariat in policy. There were not too many proletarians following the October Revolution. We only had several million proletarians -- industrial proletarians -- following the founding of the PRC. The proletariat exercises leadership mainly in policy. Then, what is the purpose of establishing the dictatorship of the proletariat? In class participation [as heard] and the development of socialism, the proletariat wants to emancipate itself and all mankind. Only by emancipating all mankind can the proletariat achieve its own emancipation. Since it is the greatest and last class opposed and exploited, it can achieve its own emancipation only after emancipating all mankind.

All classes will be abolished when all mankind is emancipated. When all classes are abolished, there will be no more state. Then, what is the party needed for? The party exists for struggle. When all classes and the state are abolished, the party will also be abolished.

Reform means continued revolution. Marxism holds that since the day the party is founded, it aims to abolish itself. [Words indistinct], it will not work if the party does not carry out reform and if the same party or the same group exercises leadership. Classes and the state will be abolished with the development of history.

Then, the party will not be needed anymore. Since there will be no exploiting class or enemy, what will the party be needed for? The party exists for struggle. Therefore, the party will also be abolished.

Many people regard reform as being opposed to Marxism, and I think this may possibly be a misunderstanding. Some may have evil intentions. I cannot say that all of them hold such a view because of misunderstanding. As far as I know, some of them do not lack knowledge of the Communist Party and Marxism. I am afraid that most of them hold such a view because of misunderstanding.

It is in accordance with Marxism that reform is carried out. Take for example -- I think this example is a fairly clear one -- in founding, strengthening, and developing the party, its final aim is to abolish the party. This is also the case with the state because there will be no more classes [words indistinct].

In talking about reformers and conservatives, people talk mainly about the Communist Party. What does the Communist Party act according to? It acts according to its philosophy, dialectical materialism and historical materialism. What does this philosophy have to do with the proletariat? Marx said -- although I do not remember when he said this -- dialectical materialism and historical materialism are spiritual or ideological weapons of the proletariat. The proletariat is a material weapon for this philosophy, dialectical materialism and historical materialism. So this philosophy and the proletariat are weapons for each other. This is Marxist philosophy which regards the proletariat as its material weapon. The proletariat considers this philosophy its spiritual weapon. Dialectics is dialectics. Dialectical materialism is... [Peng Zhen changes thought] Historical materialism deals with social application of dialectics. What does dialectics mean? It means continuing change. As the ancient Greeks said, one cannot cross a river at one time. When one takes a second step over the river, the water in the river has changed as compared with the time when he took the first step. When one takes a third step over the river, the water has changed again. Therefore, one cannot cross a river at one time. Dialectics means continuing reform, progress, and development. Therefore, I think it is a misunderstanding when some people say that Marxism is conservative. On this point, I think I have said more than I should.

When Comrade Deng Xiaoping recently talked with us, he said that some people are saying that there are two factions among us. Can I be considered a reformer? I am a reformer. If those who stress the four cardinal principles are considered conservatives, I have stressed these cardinal principles more often than others.

Then, is Deng Xiaoping a reformer or a conservative after all? He said: To put it exactly, I am one of those who seeks truth from facts.

Both dialectical materialism and historical materialism seek truth from facts. Mao Zedong summed up dialectical materialism and historical materialism in a Chinese phrase -- seeking truth from facts.

As for what they call reformers and conservatives in our party, they may be so called according to practices in their society. In their society, there are different classes. When one comes to power, others oppose him; this is called the opposition party. Our various parties do not practice a multiparty system. We have so many parties, such as the Kuomintang Revolutionary Committee, the China Democratic League, and the China Democratic National Construction Association. In addition, there are mass organizations and public figures without party affiliation. The CPPCC National Committee has many such figures. These figures attend CPPCC sessions, but they do not think they belong to any party.

There is not a party that is not in office; in other words, there is no shadow cabinet. Our country is working for the common interests of its 1 billion people. It is not that one represents Shanghai or Jiangsu or I represent some other place, or that one represents workers, I represent peasants, and another represents capitalists or intellectuals. This is not the case. Our norm is that the common interests of all nationalities are fundamental. This is why our Constitution stresses the need to work hard to serve the people and socialism. Socialism represents the common interests of the people. Is there anything special? There are some individual and special problems to which consideration should be given, but socialism represents our common interests. Therefore, some of our comrades, such as Comrade Liu Shaoqi, said: What is truth? Anything that meets the genuine maximum interests of the majority of the people is truth. Here, by interests, we mean our common interests. All the matters the NPC, the State Council, and the CPPCC have been discussing are in our common interests. I am not saying that no one pays attention to his own interests. Some people, including our party members, abuse their power to seek personal gains as soon as they have some power. Some people are so small-minded that they even abuse power for a small sum of money. However, what the NPC, the State Council, and the CPPCC members of all parties, including the Communist Party and all democratic parties, attach importance to is the common interests of the 1 billion people of the Chinese nation.

There are no factions among us. You may say you belong to a certain trust, some others belong to a certain bank, and I belong to a certain consortium, or you are of a certain group and I am of another group. We have so many parties and so many different duties. Therefore people look at us through colored glasses and insist that, after all, we have a conservative faction and some other faction. They call me a conservative. I do not care what you call me. I will continue with my reforms, and you may call me whatever you want. In other words, ultimately, socialism, communism, classes, and states will all die away, and our Communist Party will also die away. The development and improvement of the Communist Party is for the purpose of its own final demise. I really do not think it is correct to call us conservatives or reformers. Since they want to call us so, let them do so. This is my answer to the first question.

What is the second question? This question is about the possibility of my entering the Political Bureau Standing Committee. This question was raised much earlier. Before the 12th NPC our comrades and many deputies proposed that I be a member of the Standing Committee. At a convener's meeting of delegations of all provinces, autonomous regions, and municipalities, Comrade Deng Xiaoping said that Comrade Peng Zhen is qualified to be a member of the Political Bureau Standing Committee; I am all for it. But why must we recruit comrades in their 70's and 80's when there are so many younger comrades around? At the time, I was not yet 80. With so many old people entering the Standing Committee, even middle-aged comrades could not get in, much less young comrades.

What was my response to Comrade Deng Xiaoping? I said that today, we are not considering comrades in their 50's and 60's, such as Comrade Yaobang, who at that time had not committed the mistake. What I meant were comrades between 40 and 50 years old. Those in their 50's and 60's were too old. When Beijing was liberated I was 47, Comrade Xiaoping was 45, Comrade Chen Yun was 44, Comrades Liu Shaoqi and Zhou Enlai were 51, and Chairman Mao was only in his 50's. Why can only those in their 70's and 80's be in charge today whereas we could be in charge when we were in our 40's and 50's? I said we must consider our successors long before we are on our way to Babaoshan Cemetery. I am telling you all this so that you will know that the possibility of my entering the Standing Committee already existed at that time and not now. I cannot remember whether I said this before the 12th NPC or the 10th NPC; it was before the 10th NPC.

As to my entering the Standing Committee now, I do not know what to do on the committee. I am 85; I will be 85 in October. What can I do as a member of the Standing Committee? Will it not be much better to recruit a 45- or 55-year-old than me or one in his 60's?

All this is sheer speculation, this question about becoming a Standing Committee member. I will never be a Standing Committee member as long as I live. Even if everyone elects me, I will oppose it; I can resign. What can a man in his 80's do? Why not choose someone younger? I suggest that except for those who are very essential, all old people withdraw from the Standing Committee and younger ones be chosen. If you consider successors and if you name your choice in your will, the will means nothing. Just recall how many wills in history have played an important role. Though I dare not say that not a single will has played an important role in history, I cannot find a will that has played a good role in history. Even when you are living, you cannot succeed in doing whatever you want to do; how can your will become so valuable after you die?

It is much better for old comrades, before they die, to promote those comparatively young comrades. What we now call young comrades are actually not very young at all. When Beijing was liberated I was only 47 and Comrade Xiaoping was only 45. Do we see anyone in his 40's in the Political Bureau? No, only the old ones. It is better to choose some young comrades while we old comrades are still living and watch them take charge of state affairs. This will help stability and unity and is more reliable. As for other comrades entering the Political Bureau Standing Committee, whether our old comrades should [word indistinct] or not, I will not elaborate.

[WEN WEI PO] In his report to the NPC a few days ago, Vice Chairman Chen Pixian mentioned that it is necessary to strengthen the important role of the NPC and its Standing Committee. Chairman, would you please elucidate the relationship between strengthening the important role of the NPC and its Standing Committee and reforming the political structure? Thank you.

[Peng Zhen] The NPC's work and tasks are to strengthen and develop socialist democracy and improve the socialist legal system. In this connection, the NPC is shouldering a greater responsibility. Of course, the State Council and the CPC Central Committee also shoulder the same responsibility. What questions do members of the CPPCC discuss in their political consultation? They exchange views and discuss the same questions even before the NPC opens. However, strengthening and developing socialist democracy and improving the socialist legal system are the NPC's sole duty. Particularly, the law is our specific duty. In this connection, there is much work to do. Old China did not leave us with many democratic habits. Here I will not elaborate. Democracy did exist in our liberation area during the Soviet period in the past, in the period of the War of Resistance Against Japan, and during the period of the liberation war. However, though we had democracy, it was incomplete in terms of form. Our democracy was a democratic centralism, with more centralism than democracy. We were fighting a war, and we had to mobilize the masses immediately to fight. We could not do as today's NPC, which holds a meeting for 2 weeks. In the span of 2 weeks the enemy would have already arrived and taken us. We could never let that happen. We practiced democratic centralism because at that time we spared no efforts to fight the war, or to win the victory for revolution. At that time we said: When a person joins the party, he joins it both mentally and physically, and is prepared to sacrifice everything. He must be a revolutionary. You may ask: After liberation and after the political power was won, were all those joining the Communist Party supposed to be prepared to sacrifice everything? Yes, whenever necessary. However, they need not do so during normal times. When you receive reasonable wages after you work according to the principle from each according to his ability, to each according to his work, and when you work as a model or pacesetter and fear neither hardship nor fatigue nor death, you have done your duty.

I think it is all right if you receive the same wages as others but do more work in a better way, though I do not mean this is the criterion for a party member.

How do we develop socialist democracy? First, the Communist Party must play a model role. Everyone is equal before law. When we hold discussions at a meeting, we obey anyone whose idea is correct. We accept any idea that is correct. I made a remark in the past: Everyone is equal before the truth. Because of this remark I was harshly criticized during the Cultural Revolution. Now, I rephrase my remark: At a meeting we will obey anyone whose idea is correct. No matter how high or how low your post is and whether you are old or young, male or female and whatever wishes you have, a meeting will solve an issue by obeying anyone whose idea is correct. Our NPC works in this way. That is why as chairman of the NPC I often say that my words sometimes count and sometimes do not count. Whoever is correct is obeyed.

The CPC must take the initiative in doing work. In doing our work, we have to solve problems, and this means we have to accept other people's views as long as they are correct. When our views are regarded as incorrect, we should not say that we are Communist Party members and acknowledging our mistakes would be humiliating. How can this be regarded as humiliating? It is glorious if we promptly accept other people's views as soon as we know we are wrong. For example, if what I just said is wrong and these two beside me [Peng Chong and Chen Pixian, who are seated on either side of Peng Zhen] or other NPC Standing Committee members correct me, I will thank them.

Yes, the CPC must take the initiative (?in promoting) socialist democracy and the socialist legal system. The NPC still has a lot of work to do in this area. Many things today...[changes thought] our state and people...[changes thought] helping 1 billion people develop the habit of adhering to democratic centralism does not mean conveying instructions from upper departments. It means taking the mass line and discussing things thoroughly with the masses at the grass-roots level. When our views are identical, or when most people have reached a consensus of opinion, the few people who disagree have to follow the majority. So, aside from being a legal matter, this is also an ideological and political matter.

You often say that once they have an opportunity, some of our grass-root cadres take advantage of their authority for personal gain. How can these people enforce socialist democracy and law? We must first of all educate these people by carrying out ideological and political education among them. This has also been underscored by the CPC Central Committee decision regarding the principles for guiding the building of a socialist culture [wen hua]. When people have changed their thinking, it is easy to guide their actions. What is the difference between a human being and the animals, the bees, for example. Bees are very good at building honeycombs. Although honeycombs are smaller than the Great Hall of the People, they are very well built. However, bees do not have a honeycomb in their minds while they build one. But when we build a straw shed, we have in our mind the idea of a straw shed. Man is a materialist, whose thinking reflects his acts. Before he acts, however, he must have an idea in his mind. We still have a great deal of work to do in this area. For this purpose, we have been popularizing among the people legal knowledge and the need to maintain political unity and stability. Why have we set up so many newspapers? Are we going to fool the people [words indistinct], hinder their progress, and take advantage of their ignorance; or are we going to heighten their consciousness, help them distinguish right from wrong, judge advantages and disadvantages, see the immediate as well as long-range results, and see the nation's needs as well as their own needs. When the whole country has been liberated and when people's material and spiritual lives have improved, nobody needs to worry about his own life.

The NPC, like our newspapers, should help people understand issues like these. Therefore, there is much to do in the ideological field. In this area, we must, first of all, establish a democratic system in various sectors through legislation. For example, we have been working to draw up a law governing the organization of villagers' committees. We are still discussing the many views on this law, and you will know the results of the discussion in a few days. While we are ready to approve this law in principle at the current meeting, before its promulgation we will authorize the NPC Standing Committee to amend it in accordance with constitutional principles and views presented at the meeting, and on the basis of conducting more investigation and summing up our experiences. This plan was agreed upon at a meeting today attended by permanent chairmen of the NPC session, chairmen of various panels, and leading members of all provinces, autonomous regions, and municipalities directly under the central government. This plan... [changes thought] this meeting is a preparatory meeting for the meeting of the presidium tomorrow afternoon. If the presidium agrees, we will follow the plan after it has been approved by the NPC session. This is only one thing, but you can see that it is not a small thing at all because it is a matter concerning the autonomy of 800 million peasants who will manage their own affairs in accordance with the principles of democratic centralism. This is a huge hands-on democratic training class. When 800 million peasants living in culturally backward areas in our country of 1 billion people can manage their own affairs according to the principles of democratic centralism, can we people in the upper departments afford not to do likewise? This is one example. We do not claim this to be a great plan, but its effect is obvious. Therefore, we... [changes thought] There are many more similar cases. Take the enterprise law for example. We will pass this law before long, for sure.

Currently, there are people calling our NPC conservative, saying it has immobilized the reformers and made them unable to carry out their reform. They can say whatever they like. But what will they say after we have done these things later? How will they explain themselves after we have adopted the enterprise law? Let them explain. There is no need for us to explain to them. We do not have the time nor the energy. Nevertheless, we will summarize this experience before long.

I was called conservative. But I am the one who proposed the system of plant directors assuming full responsibilities. I sought... [corrects himself] I asked comrades at the Political Bureau Standing Committee: Who will take the final responsibility under the present system of plant directors assuming responsibilities under the leadership of the party committees? I would like to give you an example. There was once a plant director who admitted that he was responsible for all the mistakes made regarding plant operations. However, at the end he added that all the decisions were made by the party committee. So you see, how can we do anything under this system? We cannot punish the whole party committee. For example, if I made a mistake today, I could be punished. But if the mistake was made by everyone present here today including you reporters, it would be difficult to mete out the punishment. The procurator would have a hard time prosecuting, and the court would have a hard time trying the case. When everyone in the party committee shares the responsibility, the result is that there is no one to take full responsibility.

I brought this up not to claim credit. I wanted to stress that I was the one who brought this question up in 1984. I solicited views first in Hangzhou, and then in Shanghai and Nanjing. Some supported this while others were against it. Later, I discussed this issue again in northeast China's Dalian, Shenyang, and Jilin, as well as in Heilongjiang. I was the one who proposed it. The changeover from the system of plant directors assuming responsibilities under the leadership of party committees to the system of plant directors assuming full responsibilities involved tremendous work. Many aspects of the working relationship were changed.

Now there are people saying that the current NPC session has frozen the Enterprise Law and that the NPC is conservative. In addition, they consider me among the leaders of the conservatives. As a matter of fact, I consulted with Premier Zhao on this matter. Before the chairman's office decided on the matter, we had discussed it with Premier Zhao over the telephone. I told him that there were still many different points of view on the Enterprise Law, that there were only a few days left, and that it would be difficult to achieve a consensus on it. We cannot adopt a major law like this if we do not have a consensus of views. Our discussion concluded that the law should not be brought up at the current session. However, our NPC Standing Committee had decided to institute the system of plant directors taking full responsibilities. If this was not a decision to institute the system of plant directors assuming full responsibilities, then what else could we call it? We have decided to institute the system and to enforce it successfully. Regarding the law, we have agreed on a majority of the provisions. We decided to take up the few provisions on which there are differing views later. Isn't this what we stated in our news release? That was the view of our NPC Standing Committee. Thus, to your question about our future work, I cannot say specifically. Anyway, we will do what the circumstances dictate. If you want me to give you a legislative program, I am not able to do so right now. I can only say that our work will be based on the needs of the circumstances. We shall study which rules and regulations among the numerous drawn up by the State Council need to be enacted into law. We shall also study the drafting of various economic laws at the right time. We shall deliberate on a certain economic law whenever there is a need.

There are numerous economic laws. Take commerce for instance. We are promoting a commodity economy, but there are no more than a few laws governing our commerce. Although we have 58 laws, including the Constitution, the laws we have are far from complete.

On the other hand, we will not have as many laws as some foreign countries do. Leaders of some European and American countries have said that their countries have so many laws that harm is done. This is the situation in the West.

What is the case in our eastern neighbor? The leader of our eastern neighbor told me once that in Japan there were what he called law bandits. I am not sure what this term specifically refers to. Anyway, it refers to people who use the law for personal gain. Therefore, we should not have an excessive number of laws. However, we will enact those laws that are necessary.

We will try to avoid excess in enacting laws. If there are too many laws, people will not be able to recall them, and they may easily run afoul of the law. This we will not do. Therefore, there must not be too many laws. Again, necessary laws must be enacted. The task of enacting laws is still very heavy today. Especially as far as laws governing economic matters and social activities are concerned.

You asked me to give you a program, I am not able to do so right now. This is because enactment of laws depends on whether the conditions are right and whether we have the necessary experience. In short, our task is still very arduous in this respect. We will step up our efforts. It will be in our country's interest to enact laws that are more comprehensive but concise. With regard to the work of our own organization, Vice Chairman Chen Pixian has already talked about it in his recent report. The first point is about the organization of the NPC Standing Committee itself. Our own organization is far from perfect. Right now, we have more than 300 people working for our organization. We have over 300 staff members.

[Peng Chong] More than 500 people including service personnel.

[Peng Zhen] We have a working staff of more than 300 people, not counting the service personnel. You can see that I have become considerably bureaucratic. I do not even know how many people are working for the NPC Standing Committee. [glances at Peng Chong] A few days ago, you told me that over 300 people were working. Now, you say there are over 500, including more than 100 people who work for the Legislative Affairs Commission. Right now, the number of people working for the NPC Standing Committee has increased. We only had less than 100 people working for the Standing Committee in the past. The number of people working for the Standing Committee is gradually increasing. Each year, some graduates from various schools have joined us, while some people have been transferred from other organizations to work for us. At the present time, we have approximately more than 500 people. That does not mean that the more people we have, the better it is. Our work is really fairly arduous.

First of all, our organization is not so perfect. Therefore, Vice Chairman Peng Chong is now organizing a special group to study ways to strengthen our organization and the possibility of setting up a secretariat, an information bureau, and a personnel bureau. He is studying organizational and personnel issues. Our Vice Chairman Chen Pixian is studying the issue of providing supervision. During this NPC, everyone stressed the issue of supervision.

The NPC must strengthen its supervisory work. In what way do we carry out our supervision? What kind of work do we supervise? The party has party discipline. The party itself provides supervision. The government has government discipline. The State Council itself provides supervision. The various procuratorates and courts enforce laws in dealing with law violations, criminal cases, and legal disputes among the people. We must also provide supervision over all these. We have a great deal of work to do in this connection. Our Vice Chairman Chen Pixian is studying issues in this regard. These issues involve the reform of our political system. Perhaps it will be quite difficult for him to tackle the issues by himself. We should carry out work in this regard in close connection with the reform of our entire economic system as well as our whole political system.

In addition, here is another point. How does our NPC Standing Committee maintain ties with the standing committee members as well as the NPC deputies? There should be a total of 2,987 NPC deputies. Right now there are some vacancies. How can we maintain ties with so many people? Our Vice Chairman Liao Hansheng is paying attention to studying this issue. He has held many meetings in this connection.

With regard to the study of theories, our Vice Chairman Geng Biao and Secretariat General Wang Hanbin are studying this issue. Members of the people's congresses, either those of the NPC or the people's congresses at various levels, must familiarize themselves with law and know how to apply it. They must regularly master Marxist-Leninist theories and study laws. All this is aimed at improving our NPC Standing Committee. There are also other issues. However, I mentioned before that I should not say too much. I have already taken too much of your time, comrades. What other questions do you have? When you were speaking ... [changes thought] my ears are not very good. Please forgive me if occasionally I cannot not hear clearly. Let's conclude this meeting here, Okay? Look, that reporter still wants to say something. Two female comrades. I will make an exception for them because we respect women's rights. [laughter]

[Unidentified female reporter] It has been reported that Hu Yaobang stepped down because of bourgeois liberalization.

Many wire service reports said that Chairman Peng played an important role in the whole process. Would you please comment on these reports?

[Peng Zhen] Basically, these reports are not true. Comrade Hu Yaobang's work can be divided into two stages. In my opinion, his work during the first stage after becoming the party's general secretary is, by and large, passable. You cannot say it is flawless, but generally it is pretty good. He was relatively modest at that time. He once said that I, Hu Yaobang, was not the general secretary yesterday. Today I have become general secretary. This does not mean my ability increased overnight. I am still yesterday's Hu Yaobang. He was relatively modest at that time. His work, in my opinion, was not too bad. It could be termed satisfactory. But problems gradually arose later. The problem was not liberalization alone. The problem mainly involved the four upholds [jian chi 1017 2170] the socialist road, the CPC leadership, the people's democratic dictatorship, and Marxism-Leninism-Mao Zedong Thought as our weapon. These four upholds are the general principles. For example, our party Constitution and Constitution are general principles. But the four are the general principles of general principles. This written into the party Constitution and the Constitution. I don't know how you reported this, but it is unfair to say that Comrade Hu Yaobang opposed the four upholds. However, he sometimes upheld them and sometimes did not, stressed them one moment and neglected them the next. Therefore, he did not persistently uphold the four cardinal principles. This is the fundamental problem. Don't you agree?

Later, two problems arose. The first is that an individual must submit himself to the collective. In a collective the minority must submit themselves to the majority, regardless of whether one is the general secretary or a member of the Standing Committee or the Political Bureau. Being a general secretary does not mean that all the members of the Standing Committee or the Political Bureau must do what the general secretary says. Certainly, he presides over meetings. As a general secretary, he convenes meetings. However, he must submit himself to the collective. Comrade Mao Zedong made his mistakes in the end and the Great Cultural Revolution took place. The launching of the Great Cultural Revolution was not genuinely unanimously approved by us Political Bureau members. It was a mistake from the start. Later, the party was paralyzed organizationally during the Cultural Revolution.

As for our country's laws, our first constitution -- the common program -- was formulated under the direction of Comrade Mao Zedong. I am referring to the common program formulated immediately after the PRC's founding, which is also known as the Provisional Constitution. No matter what it was called, it was, in effect, our constitution. The 1954 Constitution was also formulated under the direction of Comrade Mao Zedong. He brought several scholars to (Hangzhou) to draft the constitution, and opinions were solicited from Shanghai, Beijing, and other places across the nation. The 1954 Constitution was pretty good.

Our current Constitution was not drafted from scratch, it was drawn up on the basis of the 1954 Constitution, not the one drawn up by Lin Biao during the Cultural Revolution or the one drafted under the direction of Hua Guofeng. The existing Constitution was drafted under Hu Yaobang's charge.

Hu Yaobang usually paid keen attention to the legislative work, and often said: We must adopt a criminal law, criminal procedural law, civil law, and civil procedural law as quickly as possible. Moreover, whenever the Political Bureau was adopting a resolution at one of its meetings, he frequently asked me -- as I was then active on the political and legal front -- if the resolution was in line with the Constitution. He even asked such a question! At that time, he really attached a great importance to the law, which was neglected during the Cultural Revolution.

He sometimes paid keen attention to the law, while at others neglecting it too. However, of all the numerous existing laws, the utmost importance is adherence to the four cardinal principles. Judging from our experience in the chaotic Cultural Revolution, without observance of the laws by every citizen of the 1 billion population, it is impossible to achieve and consolidate stability and unity in such a big country as ours. In that case, what would the difference with a feudal state be? Even a feudal state had its laws. A good emperor would stress the legislative work and enact a law, but only when it coincided with his own interests. This is why we have emphasized, as Comrade Deng Xiaoping has said, that we must have democracy systematized and written into law so that it will not change as a result of the change of leaders or their views and focuses of attention.

Therefore, at the 3d Plenary Session of the 11th CPC Central Committee, we had already stressed the necessity of ensuring that there were laws for people to follow, that these laws would be observed, that their enforcement would be strict, and that lawbreakers would be dealt with. This is also stipulated in the Constitution: Whoever violates the Constitution will be punished. This article was not included in the draft, and was added to it by a deputy, who was a presidium member, after it was submitted to the NPC session for deliberation. This is the case.

Now, problems are handled collectively. Once a decision is made by the collective, it is carried out by separate individuals, with each one taking his own share of responsibility. It will not do for everyone to rush to do the same work. A decision must be made collectively but carried out by separate individuals.

Comrade Hu Yaobang, first of all, failed to uphold the four cardinal principles at all times. He sometimes did not uphold them. At the same time, he failed to fully obey the organizational principle and the collective on this question. The most important principle that a general secretary should observe is the execution of the views of the collective, not those of an individual. This is how CPC differs from the feudalism of the past.

According to the Constitution, our system is democratic centralism. Our political system, as well as the Communist Party, is based on democratic centralism. Comrade Hu Yaobang violated this principle. His violation of these two principles stirred much criticism. We talked to him -- not recently but a few years ago -- about the question of upholding the four cardinal principles. However, he turned a deaf ear to us. Later on, he realized that everyone was critical of him because he failed to execute the views of the collective. Then, he too felt that he could no longer perform his duty properly, and tendered the resignation.

His resignation was first discussed by the Standing Committee of the Political Bureau and then by an enlarged meeting of the Political Bureau, with responsible comrades of the Advisory Commission, the Discipline Inspection Commission, and other relevant departments, including the NPC, attending the meeting as observers. The resignation was first approved by the Standing Committee and later by a party activities meeting. This was the entire process. You can see what role I played! Of course, I was (rather critical) of his failure to uphold the four cardinal principles.

The action was taken by the Political Bureau, Advisory Commission, and the Discipline Inspection Commission, but mainly by the Political Bureau. It was felt that if Comrade Hu Yaobang stayed at his job, he would not be able to perform his duty and exercise leadership effectively. Therefore, it was decided that his resignation should be approved. This is within the authority of the Political Bureau, by which I mean making the decision to approve his resignation from the post of general secretary. It is not final yet as the resignation will have to be endorsed subsequently by the 13th national party congress or the next plenary session of the Central Committee.

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I was only one of the comrades who criticized him. The decision was made by the Standing Committee of the Political Bureau. I myself do not have that great power. What do you think?

[Peng Chong] Let's end here today. [applause]

NPC SESSION CONTINUES, DISCUSSES KEY ISSUES

Assesses Socialist Democracy

OWO80802 Beijing XINHUA in English 0753 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- How to further socialist democracy and the socialist legal system has been one of the hot topics at panel discussions of the current session of the National People's Congress (NPC) here.

NPC deputies agreed that greater democracy and improved legal system are essential to protecting political stability and unity and ensuring the progress of the economic reform and implementation of the open policy.

While lauding the achievements in furthering socialist democracy and strengthening the legal system over the past few years, NPC deputies pointed out that there is still much to be desired in this respect.

Wang Shufeng from Jiangxi said that the unstable factors in the national economy have something to do with the imperfection of the legal system.

"Only when all leaders and departments strictly act according to law, is it possible to ensure a healthy development of the economy," he said. He proposed the enactment of a fixed assets investment law to define obligations and responsibilities and to steer the management of capital investment onto the orbit of law.

Yan Meimei from Jiangsu drew attention to the fact that some people took advantage of loopholes in the legal system and the changing economic structure to feather their own nests, giving rise to widening gaps in income. She urged the central government to heed this problem and adopt appropriate measures to stop the gaps and restrict excessively high incomes.

Zhang Zaiwang from Tianjin expressed the opinion that socialist democracy is not only a means, style of work, a process or a method but also the political system of a country. "It is, therefore, necessary to put the promotion of socialist democracy on the agenda while pushing ahead the economic work," he said.

Huan Xiang from Guizhou stressed that to promote socialist democracy, it is necessary to heighten the sense of law on the part of leading cadres and the masses and to step up supervision. "All government functionaries must accept the supervision by the people," he noted. "People's congresses at all levels must strengthen their supervisory role. The National People's Congress should regularly hear reports not only on finance and budgets but also on auditing and banking."

He proposed all government departments and leading cadres inform the people in good time of major affairs of the state and listen to their opinions and comments. At the same time, he said, steps should be taken to reform the political structure in an orderly manner under the condition of upholding the four cardinal principles of keeping to the socialist road, people's democratic dictatorship, leadership by the Chinese Communist Party and Marxism-Leninism and Mao Zedong Thought.

Kou Qingyan from Guangdong suggested that before major policy decisions are made the authorities should solicit opinions of the people through various channels.

Considers Villagers Regulations

OW081430 Beijing XINHUA in English 1421 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Deputies to the current session of the National People's Congress are divided in their opinions on the draft regulations on the organization of villagers committees in Chinese rural areas mooted for adoption by the NPC Standing Committee.

While some deputies thought it appropriate to adopt the regulations after some of the articles are reworded, others are against its adoption, contending that what the regulations provide is not in keeping with the actual practice prevailing in the Chinese countryside and further investigations are needed.

The draft regulations were submitted by the State Council in October 1986 to the NPC Standing Committee, which met twice last year to discuss them and submitted the draft for discussion at the current NPC session.

According to a written report by Peng Chong, chairman of the NPC Law Committee, to current NPC session, the document was drafted in compliance with the constitution and as a major step to reform the grassroots organizations in the rural areas.

The draft regulations say that villagers committees are self-governing organizations, based on villages which number more than 900,000 in the rural areas. They are not political power organs but popular organizations operating under the guidance of the township government, the basic political power organ in the countryside.

Most of the deputies agreed that the grassroots organizations should be strengthened in Chinese rural areas where the 800 million peasants live and it is of great significance in developing democracy and displaying the role of the 800 million Chinese peasants as masters of the country.

But some deputies argued that such committees should be made the basic political power organizations in the rural areas and placed under the leadership of the township government as they are now.

Most deputies agreed to adopt the regulations provided that their responsibilities and duties should be further defined and their relations with other rural organizations clarified while others maintained that conditions are not ripe yet to adopt the regulations.

Still other deputies suggested some revisions for the regulations and proposed that the draft be adopted in principle and be made a law after summing up experience in their trial implementation and when conditions are ripe.

Adopts Draft Resolutions

OW091225 Beijing XINHUA in English 1210 GMT 9 Apr 87

[Text] Beijing, April 9 (XINHUA) -- The Presidium of the current National People's Congress (NPC) session today adopted nine draft resolutions, including one on Premier Zhao Ziyang's report on the work of the government and another on the draft organic law of villagers' committees.

Peng Zhen, chairman of the NPC Standing Committee, attended this afternoon's meeting, which was presided over by Chen Pixian, vice-chairman of the NPC Standing Committee.

Chen Pixian said a draft resolution on the premier's report was distributed among the NPC deputies for opinions after the last presidium meeting. Today's draft had been revised in accordance with the suggestions of the deputies and will again be distributed among the deputies for deliberation before being submitted to the session for approval.

The draft decision on the draft organic law of villagers' committees proposes that the NPC session adopt it in principle and authorize the NPC Standing Committee to make further investigation and study and revise the version in the light of the principles outlined in the national Constitution and opinions and suggestions aired by NPC deputies at the current session and promulgate it for trial implementation.

This draft decision was drawn up after the executive chairmen of the Presidium pondered over the opinions of the NPC deputies on April 8.

Peng Chong, vice-chairman of the NPC Standing Committee, made an explanation of the draft decision.

During the panel discussions over the past few days, he said the NPC deputies have offered a great deal of good opinions on the draft regulations governing the villagers' committees.

The deputies maintained that the villagers' committees, which will practise self-government by the masses at the grass-roots level in accordance with the Constitution, are of great importance to developing socialist democracy. Therefore, the regulations should be made an organic law, they suggested.

Peng Chong added that quite a few deputies talked about the actual conditions in rural areas and difficulties in the work of the grass-roots units. They maintained that certain questions require further investigation and study and suggested that the law, after revision, be implemented on a trial basis. The law should be submitted to the congress for examination and adoption after trial implementation and further revision.

Today's Presidium meeting also adopted draft resolutions respectively on the work reports of the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate, and on the number and election of deputies to the Seventh NPC, and the draft list of appointments and removals of ministers. These documents will be submitted to the current session for decision or adoption.

The meeting endorsed a list of candidates for NPC Standing Committee members to be elected at the current session.

The meeting decided that the report by the session's Secretariat on the handling of bills and proposals made by deputies will be printed and issued to all deputies for examination.

WANG HANBIN SPEAKS AT NPC PRESIDIUUM SESSION

OW091228 Beijing XINHUA in English 1219 GMT 9 Apr 87

[Text] Beijing, April 9 (XINHUA) -- The Secretariat of the ongoing fifth session of China's Sixth National People's Congress (NPC) had received a total of 2,182 proposals and letters of criticism up to last night.

This was announced by Wang Hanbin, deputy secretary general of the current NPC session, at the fourth meeting of the presidium of the session here this afternoon.

Wang said that the offices of the NPC Standing Committee and China's State Council will hold meetings of leading officials of government departments to study these proposals and criticisms and forward them to departments concerned and ask them to inform the deputies who have raised them of the results.

He said that the current session also received 262 motions, including 17 put forward by various delegations and 245 jointly signed by deputies. Of these motions, 70 concerned political and legal affairs, 127 economic and financial affairs, and 65 educational, scientific, cultural and public health affairs.

"The ideas contained in these motions are important in improving China's democracy and legal system, its socialist modernization and socialist cultural and ideological development," he said.

After consultation with various NPC special committees, Wang said, the Secretariat has proposed to let the special committees to study 39 motions to see whether they should be included in the agenda of the NPC session or the sessions of the NPC standing committees for examination and approval by the NPC Standing Committee.

The remaining 223 motions will be handled by the office of the NPC Standing Committee and departments concerned in accordance with the organic laws of the NPC, Wang added.

HONG KONG PAPER REPORTS ON NPC ACTIVITIES

HK090339 Hong Kong SOUTH CHINA MORNING POST in English 9 Apr 87 p 6

[By David Chen]

[Text] The Fifth Annual Session of the Sixth National People's Congress moved to a climax yesterday as the 2,000 delegates prepared to approve major government reports and the appointment of several ministers, offering some clues to the prevailing political mood in the capital.

It has been a marathon two-week session and hardly a day passed without some interesting development.

Apart from the major sessions in which the Prime Minister, Mr Zhao Ziyang, the Minister in charge of the Economic Commission, Mr Song Ping, and the finance minister, gave their state of the nation and budget reports, the delegates have been taking part in group discussions where some very frank views and suggestions were expressed.

But to the outside world, the most significant events were the meetings top Chinese leaders had with members of the congress as well as those from the Chinese People's Political Consultative Conference.

They also gave some very rare press conferences and spoke frankly but reassuringly, exuding confidence at a time when uncertainty about the country's future was more prevalent outside the country than on the mainland itself.

Even the Army sent its representative to meet the media. The Deputy Chief of General Staff, General Xu Xin, who is said to be in charge of the Army's propaganda and intelligence, unequivocally came out in support of the party and the government.

But dissenting voices were also heard, some of them from Hong Kong, the city which will be allowed to practise capitalism after it returns to the Chinese fold.

Mr Xu Simin, publisher of a popular leftwing magazine in Hong Kong, the MIRROR, spoke up against the campaign against "bourgeois liberalisation". Although his Hong Kong colleagues in the consultative conference did not openly endorse his position, he nevertheless struck a resonant chord.

To reassure the Hong Kong people, several top leaders, including Mr Zhao, met the Hong Kong group and, as a concession to those whose Putonghua is not as proficient as it should be, a Cantonese interpreter was present.

The crowning moment for the Hong Kong delegates will come tomorrow when the country's top leader, Mr Deng Xiaoping, will give them an hour or so of his time.

The consultative conference closed yesterday. The curtain on the National People's Congress will come down on Saturday morning and the 5,000 delegates to the two national bodies will soon disperse.

For the leaders, however, there is no let-up.

As the congress closes, the Portuguese Prime Minister, Mr Anibal Cavaco Silva, whose government was defeated in a no-confidence vote early this week, is arriving in the capital for the signing of the joint declaration on Macao.

But even after Mr Silva leaves the capital in the middle of next week, the pressure on Mr Zhao will continue as he attends both to government and party affairs in his dual role as prime minister and the party's acting general secretary.

CPPCC SESSION CONCLUDES; VIEWS ARRAY OF ISSUES

Members Stress Role of Art

OW070956 Beijing XINHUA in English 0937 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- National Committee members of the Chinese People's Political Consultative Conference (CPPCC) stress the importance of giving first consideration to social effects of literary and art works and encouraging China's national art.

In panel discussions during the current annual session of the CPPCC, Liu Yanping, deputy director of the Central Nationalities Orchestra, said, "Literature and art belong to the country's superstructure, so their progress will promote China's economic construction, while their regression will retard it."

Zang Kejia, China's leading poet, and Yao Xueyin, chairman of the Hubei Provincial Writers Association, urged writers and artists to intensify their ideological study and combat bourgeois liberalization.

Zhong Zhenfa, deputy director of the Fujian Provincial Song and Dance Ensemble, criticized some troupes for staging performances "only for financial gain."

He called for measures including granting subsidies to "protect national art." "We must encourage introducing serious art forms from other countries and restrict commodity-oriented foreign art by levying taxes, so as to facilitate China's literary and artistic reform," he stressed.

Shu Qiang, general director of the Central Experimental Modern Drama Theatre, denounced the idea of "literary and artistic works being commodities" as "distressing." He expressed the view that best-sellers are not necessarily good works.

Qin Yi, a well-known film actress and chairman of the Shanghai Film and Television Company, warned against learning blindly from other countries in film and television.

"Playwrights, directors, actors and actresses must go deep into reality to understand life," she said. "We should use artistic expression to convey people's wishes." For example, the Chinese people express love in a very implicit and profound way, which is very rarely seen in films and TV plays.

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Cui Meishan, a leading dancer of the oriental song and dance ensemble in Beijing, criticized some dancers for wearing costumes too sheer when performing traditional Chinese dancers. "This is a result of the influence of foreign dance," she said, "Chinese national dance must embody national styles."

Li Guangxi, a tenor of the Central Opera Theatre, called for efforts to draw on foreign operatic expression to reflect Chinese national content.

Zou Dehua, a soprano from the same theatre, repudiated the idea of "total westernization" as "unfeasible both politically and artistically." "We must develop our national operas. We should persist in opening to the rest of the world and import, in a selective way, useful means and techniques to enhance our new national operas," she said.

Xin Fengxia, one of China's best Ping opera actresses, said: "Actors must pay close attention to their artistic morality, be responsible for their audience and serious in their stage conduct, and reflect our national style in performance."

Hu Songhua, a tenor of the Central Philharmonic Society, said: "I think we should adopt a serious attitude towards learning from foreign art, while justly and forcefully encouraging our own national art."

Members Discuss Intellectuals

OW071425 Beijing XINHUA in English 1328 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- Members of the Chinese People's Political Consultative Conference (CPPCC) National Committee today called for efforts to improve working and living today called for efforts to improve working and living conditions of middle-aged intellectuals.

In speeches at a plenary meeting here this afternoon, they also urged all sectors of society to protect women's legal rights and create a fine environment for the healthy growth of youngsters.

In her speech, Hao Zhichun, vice-chairman of the Jiusan Society, said that middle-aged intellectuals in China are working as backbone members in all fields of endeavor, and their working and living conditions have been improved over the past few years.

However owing to various reasons, she went on, most of them are still facing difficulties, such as low wages and crowded housing, which have seriously affected a full display of their talent and ability.

She stressed the need to raise intellectuals' wages and to institute the system of granting them subsidies to arouse their initiative.

Zhang Jiexun said that there has been a broad room for Chinese women to display their talent and ability since China launched reforms and pursued the policy of opening to the rest of the world and invigorating the domestic economy in 1979.

Women workers and intellectuals have grown in strength and achieved notable successes in all trades, she said. But, there still exist problems relating to women. These include unequal job opportunities for women and arranged marriage.

She suggested that forceful measures be taken to put an end to arranged marriage, and firmly implement the provisions concerning equality between men and women in the constitution and relevant laws.

She called on the whole society to protect women's dignity and legitimate rights and interests, and build up a progressive socialist outlook on women.

On behalf of eighteen CPPCC National Committee members representing youth, Liu Yandong, president of the All-China Youth Federation, said that it is of particular significance to China's prosperity and long-term stability to educate China's five hundred million youth and children, particularly youngsters, who account for over 60 percent of China's total employees and 70 percent of its peasants.

She suggested that education of youngsters start early and be systemized in light of the characteristics of different age groups. Reform should be carried out in the ideological education of youngsters and attention be paid to their school education, employment, recreation, love and marriage in order to create a better social environment for the sound growth of youngsters.

Five more committee members also spoke at today's meeting on combating bourgeois liberalization, reform of the wage system, mutual respect between doctors and patients and the return of Macao to China. Written speeches by seventeen committee members were also distributed to those present at today's meeting.

Over 1,300 Bills Presented

OW080432 Beijing XINHUA in English 0229 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) - More than 30 artists presented a bill to the ongoing annual session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC), calling for efforts to salvage the folk arts of minority nationalities in China.

This is among the more than 1,300 bills submitted so far to the CPPCC Bills Committee.

The Art Salvation Bill notes that many artists of minority nationalities have quit their jobs due to the decline in the production of arts and crafts dating back to ancient times. As a result, the cream of folk arts of the minority nationalities is seldom seen in museums, libraries and arts and crafts shops.

The bill proposes the setting up of an academy for exploring, sorting out, studying and developing the folk arts of the minority nationalities as well as for training young folk artists and providing information and techniques.

It also proposes the restoration of the original Central Industrial Arts Research Institute.

Signed by well-known painters Liu Haisu, Li Keran and Hua Junwu and other artists attending the current CPPCC National Committee session, the bill has been forwarded to departments concerned, according to the CPPCC Bills Committee.

An official from the Bills Committee said that over 95 percent of the bills submitted have been reviewed and assigned to related departments.

He said that about one-third of the bills concern economic affairs such as calling for checking duplicated imports, and price hikes and urging cuts in capital investment. Another one-third of the bills concern education, science and technology, culture and public health, and the rest are about the united front work, political affairs and law, and labor and personnel.

Resolution Passed

OW081050 Beijing XINHUA in English 1030 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) — The Fifth Session of the Sixth National Committee of the Chinese People's Political Consultative Conference (CPPCC) closed here this afternoon, after electing social activist Wang Feng and physicist Qian Weichang additional vice-chairmen of the National Committee.

Deng Yingchao, chairperson of the CPPCC National Committee, attended the closing meeting.

A political resolution adopted at the meeting attributes China's notable achievements in all spheres in the past year to the hard work of the Chinese people of all nationalities under the guidance of the correct Marxist line of the Chinese Communist Party.

To ensure the successful progress of China's socialist modernization, it is imperative to unswervingly implement the line, principles and policies formulated by the Chinese Communist Party since late 1978, it notes.

It urges CPPCC organizations at all levels to work for the fulfillment of China's two major tasks set forth by Premier Zhao Ziyang in his Government Work Report (in the economic field, carry out the campaign to increase production and practise economy, raise revenue and reduce expenditure, intensify the structural reform and open China wider to the outside world and in the political-ideological field, adhere to the four cardinal principles and combat bourgeois liberalization).

The resolution calls on CPPCC committees at various levels to implement in real earnest the policy of "long-term coexistence and mutual supervision" and "treating each other with true sincerity and sharing weals and woes" as well as the policies regarding the united front.

It also urges the committees to give full scope to socialist democracy, strengthen political consultation and democratic supervision, unite with all forces that can be united with, mobilize all positive factors, be of one heart and one mind, and go all out for the socialist modernization and reunification of the country and the defense of world peace.

The resolution hails the initialling of the Sino-Portuguese Joint Declaration on the Macao issue as another successful example in reunifying the motherland according to the "one country, two systems" concept and another big step towards China's final reunification.

It says CPPCC National Committee members sincerely hope that compatriots in Taiwan, Hong Kong and Macao and Overseas Chinese will continue to work for the country's reunification in the spirit of patriotism, and that the Kuomintang authorities in Taiwan will set store by the national interests and take concrete measures for the peaceful reunification of the motherland.

Today's meeting also adopted a resolution on the report on the work of the Standing Committee of the CPPCC National Committee.

The resolution expresses satisfaction with the work of the Standing Committee in the past year. The Standing Committee, it says, has successfully carried out the tasks set forth at the Fourth Session of the Sixth CPPCC National Committee by adhering to the four cardinal principles, promoting patriotism, uniting people in various circles and giving full play to the role of (?consultation) and democratic supervision.

The meeting elected twelve additional members of the Standing Committee. Three National Committee members spoke while written speeches by 55 National Committee members were distributed at today's meeting.

Yao Xueyin Address

OWO81519 Beijing XINHUA in English 1507 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- Noted Chinese writer Yao Xueyin today called on Chinese writers to keep to the correct orientation and place Chinese literature and art in the service of the people and socialism.

Yao, who is known in China for his historical novel "Li Zicheng", which describes a peasant rebellion leader of the Ming Dynasty (1368-1644), made this statement at the closing session of the Sixth National Committee of the Chinese People's Political Consultative Conference here this afternoon.

Yao said that the current vigorous development of the Chinese literature is marked by the emergence of a large number of middle-aged and young writers, a huge crop of literary works, and a large number of literary journals.

While acclaiming the flourishing scene of Chinese literature, he said, "We should lose no sight of the negative side," which he described as deviation from the four cardinal principles and abandoning of the glorious traditions of the revolutionary literature since the May Fourth Movement of 1919.

He criticized the trend of divorcing from reality and real life and ignoring the social effect of literature and seeking profits.

As a result, he said, some untoward phenomena have occurred, which include the growing number of works trying to ape Western styles in seeking undisguised descriptions of sexual life and psychology and the style of the theater of absurd.

"Our modern literature must serve the people and socialism. We must spend great efforts to reorient literature to the needs of socialist modernization in the light of Marxism-Leninism and Mao Zedong Thought," he said.

He reminded Chinese writers of the realistic approach founded by famous Chinese writer Lu Xun, which, he said, still displays growing vitality in the complicated ideological struggle instead of falling out of date.

He urged the Chinese literary and art workers, particularly middle-aged and young ones, to study Marxism-Leninism and correct their style of study so as to become real "engineers for reshaping the minds of the people."

BEIJING REVIEW FEATURES DENG XIAOPING ARTICLE

OW090941 Beijing BEIJING REVIEW in English 30 Mar 87 p 34

[Article: "Deng on Recent Events in China"; excerpts of Deng Xiaoping's 20 January 1987 talk with Zimbabwean Prime Minister Robert Mugabe on "Recent Events in China" from the enlarged edition of Deng's book "Build Socialism With Chinese Characteristics"]

[Text] Two major events took place recently in our country: The first was the student unrest, and the second the replacement of the party general secretary. Why were the students creating disturbances? Fundamentally, it revealed the weakness of our leadership. By upholding the four cardinal principles, we mean upholding the socialist road, the people's democratic dictatorship, the Communist Party's leadership, and Marxism-Leninism and Mao Zedong Thought. We need constantly to educate our people in the four cardinal principles. A trend towards bourgeois liberalization has appeared for the last few years, but no effective struggle has been waged against it. Although I have warned against this trend on many occasions, our party leadership was ineffective in checking in its practical work. This was a major mistake on the part of Comrade Hu Yaobang. So the party Central Committee accepted his request for resignation as the party General Secretary, and elected Comrade Zhao Ziyang as acting party general secretary. The two events are interrelated and by no means minor matters. But our party is fully capable of handling these matters. Comrade Hu Yaobang's case was handled reasonably and, it may be said, very mildly, and in the end was resolved very smoothly. The handling of the two events will neither affect our party's line, principles and policies, nor our policies of opening to the outside world and enlivening the domestic economy, nor the reform of our economic structure, nor the reform of our political structure. It will however have sobered up our party and people and strengthened their confidence in the correctness of the road we are taking. In spite of these two events, everything will go as usual and there will be no changes at all. This is what I want to tell you comrades.

In the last eight years, the line, principles and policies our party formulated at the Third Plenary Session of the 11th Party Central Committee have been carried out smoothly, our country has made remarkable progress and the people's well-being has improved notably.

This reality cannot be removed by student disturbances. However, our strength is still limited. Even by the end of the century, we will still be working to eliminate poverty. In 1980 our per-capita GNP was only about US\$250 and today, it is just a little over US\$400, which puts us behind 100 countries in the world. By the end of the century when we have become well-off, the per-capita GNP will only have reached US\$800-1,000. By then, we will have merely laid a fairly good foundation for the realization of our goal. After another 30-50 years of effort, our people will be able to lead a medium-level life. Judging by the present situation, it is possible to achieve our first and second goals.

We have achieved some successes over the last eight years. This is due primarily to the fact that our policies are based on China's reality, and on our own effort. Our goals are realistic, but improving people's living standard involves long-term efforts. The mistakes we made after the founding of the People's Republic were all due to overeagerness: Setting excessively high targets; this was divorced from China's reality and in the end slowed progress. Practising socialism is not an easy thing.

To achieve genuine political independence, a country must first get rid of poverty. To this end, it must base its economic and foreign policies on its own conditions. It should not place obstacles in its own way, nor should it cut itself off from the world. The Chinese experience itself has taught that isolating oneself from the outside world is to its own disadvantage.

In order to develop itself, China must continue opening to the outside world and reforming at home. The reform includes revamping the political structure in the realm of the superstructure. The policy of opening to the outside world is a correct one and China has benefited much from its implementation. If there were any shortcomings, that would be because our door has not been opened wide enough. We will continue opening up, and become more open at that. Because of our great capacity and correct policies, opening up will not affect the fundamentals of our socialist system. Educating the people to adhere to the four cardinal principles will provide a foolproof guarantee.

NEW VICE CULTURE MINISTER REPORTEDLY APPOINTED

HK090325 Hong Kong WEN WEI PO in Chinese 9 Apr 87 p 2

[Report: "Wang Jifu Has Recently Been Appointed Vice Minister of Culture"]

[Text] Wang Jifu, former secretary of the CPC Committee of Yantai City, was recently appointed vice minister of culture, so the Ministry of Culture now has one more vice minister.

Culture Minister Wang Meng, Vice Culture Minister Gao Zhanxiang, and Vice Culture Minister Ying Ruocheng still remain in their posts.

STATE COUNCIL DIRECTS NATIONWIDE ECONOMIC SURVEY

OW081138 Beijing XINHUA in English 1106 GMT 8 Apr 87

[Text] Beijing, April 8 (XINHUA) -- The State Council, China's highest governing body, will conduct a nationwide survey of monetary, material and manpower input and their economic results.

The statistics for 1987 are expected to be worked out by the end of next year, and from then on, similar surveys will be carried out every five years.

According to a State Council circular, the project is designed to strengthen scientific management of the country's economic sector, lay a foundation for macro-economic planning and provide practical data for working out the Eighth Five-Year Plan (1991-1995).

The survey, directed by a committee appointed by the State Council, will be handled by various economic departments, and the circular urged local governments and departments concerned to ensure the project's smooth progress.

FIRST QUARTER INDUSTRIAL OUTPUT UP 14.1 PERCENT

OWO71349 Beijing XINHUA in English 1254 GMT 7 Apr 87

[Text] Beijing, April 7 (XINHUA) -- China's industrial output value amounted to 226.69 billion yuan in the first three months this year, a 14.1 percent increase over the corresponding period of last year, according to the figures released by the State Statistics Bureau today.

The light industrial production was up by 14.9 percent, and the heavy industry, up by 13.3 percent, compared with the same 1986 period.

China's energy and raw materials industries maintained the momentum of increase during the first three months this year. The output of electricity, raw coal and crude oil came to 114.58 billion kwh, 199 million tons and 32.59 million tons respectively during the period. These represented increases of 9.9 percent, 3.3 percent and 5.5 percent separately over the 1986 comparable figures. The output of major raw and semi-finished materials, such as steel, pig iron, cement and artificial board, increased from 7.3 percent to 23.3 percent.

To support the agricultural production, China produced 3.91 million tons of chemical fertilizers and 263,600 small tractors during the first quarter of this year, up 26.6 percent and 42.5 percent respectively over the same 1986 period.

The output of household electrical appliances that have a great demand on the home market rose by a big margin during the period. 757,300 refrigerators, 1.34 million color TV sets, 2.55 million washing machines and 4.49 million radio-recorders were produced, up by at least 20 percent.

In addition, the output of major textiles and light industrial products as well as food production, such as pure cotton cloth, raw silk, woolen goods, knitting wool, bicycles, wrist watches, beer and dairy products, also registered a big increase over the corresponding period last year.

Economic experts here note that the industrial production during the first three months this year was normal because the period under comparison, that is, January-March period last year, registered a growth rate of only 4.4 percent.

They say efforts are still needed to further improve the quality of products and economic performance of enterprises.

ARTICLE VIEWS MARXISM AS DEVELOPING SCIENCE

HK310901 Beijing RENMIN RIBAO in Chinese 20 Mar 87 p 5

[Article by Xue Muqiao (5641 2550 2890): "Continue To Push Forward the Science of Marxism"]

[Text] Marxism Is a Ceaselessly Developing Science [subhead]

Any science is ceaselessly developing and creating anew. Such is the case with the science of Marxism. In the article "Our Program," Lenin also said: "We never treat Marxist theory as something inflexible and sacrosanct. On the contrary, we firmly believe that it only provides a basis for science. If socialists are unwilling to fall behind the reality of life, they should try to push this science forward in every way." ("Selected Works of Lenin," Vol 1, p 208)

Marx predicted in his life that the socialist revolution would be victorious at the same time in several of the most developed capitalist countries. The development of history has exceeded Marxist expectations. The socialist revolution first won victory in Russia with a relatively low level of capitalist development and with bourgeois rule at its weakest. After World War II, the proletariat also seized political power in China with a still lower level of economic development and at the semi-colonial and semi-feudal stage. After the founding of the New China, only in 1953, after 3 years of recovery, did we set the task for socialist transformation. In the process of socialist transformation, our country showed rapid development in industrial and agricultural production. This shows that a country with a very low level of capitalist development can also be built into a socialist country under the correct leadership of the proletarian political party.

The victories of socialist revolution and socialist transformation in the Soviet Union, China, and other countries enabled the Marxist doctrine of socialist revolution to develop to a new level. As Lenin pointed out, the essential stuff in Marxism and its living soul lie in its concretely analyzing concrete conditions. In line with the guiding thought of Marxism, Lenin and Mao Zedong creatively developed Marxism without sticking to individual terms spelled out by Marx. This was not altering Marxism but most faithfully upholding and developing Marxism.

What is the guiding thought of Marxism? I agree with Comrade Peng Zhen's view that this is nothing but Marx's dialectical materialism, especially historical materialism. Marx pointed out: Any socioeconomic form is born to meet the need for the development of productivity. All socioeconomic forms that stimulate the development of productivity can develop. All those that restrain the development of productivity are bound to be eliminated sooner or later. Therefore, the only yardstick by which to judge whether the socialist system we create is rational is whether it helps toward the development of productivity. It is not based on fairness, justice, and other moral standards. Marx and Engels pointed out that treating socialism as the product of lofty moral concepts is incorrect and is socialist wishful thinking. They used historical materialism to illustrate the objective factors that give rise to socialist society. They pointed out that the natural economy of feudal society interfered with the development of productivity. Later, the comprehensive development of commodity economy led to increasingly complicated and ever greater division of labor. Modern big industry and social mass production arising therefrom made for the great development of productivity. This was the fundamental reason why the development of the capitalist economy in 200 or 300 years far exceeded development over 2,000 or 3,000 years of the slave system and the feudal era. [paragraph continues]

But social mass production increasingly concentrated all social wealth in the hands of a small number of capitalists. There was an ever wider gap between them and the masses of proletarians in the distribution of wealth. The relative poverty of the proletariat (compared with the great wealth created by them) caused the growth of overall social demand to fall behind overall social output. Economic crises with surplus production thus took place cyclically. At this time, the capitalists relations of production clashed with productivity that is generated by them to constitute an obstacle to the continuous development of productivity. In his life, Marx witnessed several economic crises -- in general, one happened every 10 years. He pointed out that this was caused by such a fundamental contradiction as that between social mass production and private ownership of the means of production. A thorough solution was to transfer the means of production through proletarian revolution to public ownership by society, so that society could use surplus products to raise the living standard of all the people and overcome poverty. Thus, socialism can turn from fantasy into science.

The commodity economy provides tremendous impetus for the development of productivity. Toward the end of primitive society, accidental exchange of commodities had already taken place. At the time of the slave society and feudal society, the commodity economy showed gradual development. At the early stage of capitalism, the commodity economy boomed, with a great development of productivity unprecedented in history. New socialist countries should never give up the tremendous impetus provided by such productivity and should instead inherit it. It was a pity that Stalin lacked an adequate understanding of the objective laws of historical development. He always wanted to restrict and narrow the scope of relations between commodities and money, introducing the economic control system of replacing the exchange of commodities with planned distribution and causing the gradual inflexibility of such a socialist pattern. Actual experience has made people realize more and more that involvement with socialist construction calls for not only the development of mechanized big industry but also the development of social mass production. Especially in China with peasants still accounting for around 80 percent of the population and the natural economy still predominating, an attempt to sidestep the development of the commodity economy and replace the exchange of market commodities with planned distribution of products is against the objective laws of social development and is sheer subjectivist wishful thinking.

Combine the Scientific Principles of Marxism With the Practice of Socialism [subhead]

Marx's socialist doctrine calls for a long process of building and development. The reason is very simple. When Marx was around, there was as yet no socialist country. Based on his profound analysis of the capitalist economy, Marx foresaw that capitalism based on private ownership of the means of production would naturally develop into socialism based on public ownership of the means of production. But the version of socialism that he projected could only be a general outline and something in the future and far away. He could not be, and was unwilling to be, like those with fantastic dreamers about socialism who concretely take up the operation of the socialist social economy in great detail. As to whether the exchange of market commodities exists in socialist society, Marx, at that time, cherished a negative attitude. He considered that in a mature socialist society, products could be exchanged not at the market but distributed by society. What he meant here is a mature socialist society with the system of public ownership of the means of production by all society already established, and not the period when socialism had just been established. Concerning the relations between commodities and money in the early period of socialism, Marx did not specifically say anything about the topic.

After Marx' system of public ownership of the means of production by all society is established in society, all enterprises are publicly owned by all society. [paragraph continues]

The exchange of products between them has become a matter of mutual exchange among common owners. In this sense, it is different from the exchange of commodities between different owners in capitalist society. The exchange of commodities, in the ordinary sense of the term, seems to no longer exist. But no socialist country now has developed to the stage with the system of public ownership of the means of production by all society realized. Even given the advanced stage of communism, various enterprises still have to strictly practice economic accounting. To measure the economic results of various enterprises, it may still be necessary to follow the pattern of exchanging at equal value at the time of mutual exchange of commodities between them. At a time when there still exist many countries in the world and when there are still capitalist countries, the relations between commodities and money especially cannot be eliminated. At present, in the early stage of socialist development, especially given a country with the nature economy still accounting for quite a large proportion, we must develop the relations between commodities and money and use the relations between commodities and money to organize social mass production throughout society, greatly developing social productivity and laying a material foundation for socialism. To us, this seems to be a matter of course.

But not all socialists know this objective law at the very beginning. In the early 1930's, given agricultural collectivization and thus the completion of the overall transformation of the system of ownership of the means of production, there was debate in Soviet theoretical circles over whether commodities still existed in socialist society. Only in the early 1950's did Stalin in an article entitled "Soviet Socialist Economic Problems" in the evening of his life affirm that due to the continued existence of two versions of the socialist system of public ownership of the means of production, the exchange between the state and the collective as two kinds of owners was still the exchange of commodities. The sale of consumer goods from the state to consumers was also incomplete commodity exchange (because labor is not a commodity). As to exchanges between state enterprises, with ownership belonging to the state, what is involved was actually no longer the exchange of commodities, and was only "the shell of commodities." On the basis of this theory, consumer goods can be sold on the market. (For certain important consumer goods, planned procurement and planned supply are practiced.) The means of production are fundamentally still subject to planned distribution and not exchanged on the market.

After the fundamental completion of the socialist transformation of the system of ownership of the means of production in 1956, our country actually adopted the Soviet Union's ways, restricting the relations between commodities and money and subjecting the means of production to planned distribution with no exchange on the market. Up to the 1970's, the state still formulated plans for distribution. A conference on the placement of orders for goods was called twice a year. Both sides as buyers and sellers signed contracts. There was no market for the exchange of the means of production. For rolled steel involving numerous varieties and specifications, the use of such methods obviously made it difficult to solve contradictions between supply and demand. Thus, it often happened that needed rolled steel was not obtainable, while unneeded rolled steel piled up in the warehouse.

Western countries can obtain needed rolled steel on the market at any time. Factories often carry rolled steel inventories of less than a month. In our country, it takes quite a few months, from the presentation of an application to the delivery of goods. Moreover, what is applied for is often not obtained. A large number of buyers have to be sent out to hunt for the required goods. To safeguard production, factories often have to keep rolled steel inventories of more than 6 months. Besides, the worse the supply situation, the larger are the inventories kept.

To solve the problem of supply of the means of production, beginning from the 1980's, apart from planned distribution, both sides, the supplier and the person in need of supplies, have been allowed to negotiate purchases and sales. This means that some of the means of production are allowed to be exchanged on the market. For several years, negotiated purchases and sales have been gradually expanding. The conflict between supply and demand has been relieved in part. But the market for the exchange of the means of production has still not been established in a perfect way. As for commodities not covered by planned distribution, due to supply falling short of demand and the involvement of speculators in trading with prices marked up, the gap between two different price ranges has been too big. The solution hereafter is to energetically seek a balance of supply and demand in the means of production, apart from energetically trying to control the scale of capital construction. There is also the need to universally establish a market for the exchange of the means of production and make a gradual transition from planned distribution to exchange on the market.

Our consumer goods are basically exchanged on the market. But some important consumer goods are often subject to planned distribution where supply falls short of demand. Moreover, to stabilize commodity prices, the prices of important consumer goods such as the people's daily necessities are often marked down. As a result, the growth of production has been relatively slow. The people's needs in life have not been satisfied. Since the 3d Plenary Session of the 11th CPC Central Committee, rural economic reform has been introduced, with the market for agricultural product purchases and sales gradually being liberalized. Since 1985, prices for non-staple foodstuffs have also been liberalized. Production has risen rapidly. Market supplies have increased abundantly, with optimum results achieved.

Facts show that the means of production or consumer goods must be commercialized. The market must be widely relied upon as a regulating factor under the guidance of plans. A decision at the 3d Plenary Session of the 12th CPC Central Committee pointed out that our socialist economy is a planned commodity economy based on public ownership of the means of production. This is a major breakthrough theoretically and is entirely compatible with Marx's doctrine on historical materialism.

In history, social mass production spontaneously developed in the process of the continuous development of the commodity economy. The socialist economy must be established on the basis of social mass production. This is without a shadow of doubt. What is worth discussing is that after the establishment of the system of public ownership of the means of production, can it be that the commodity economy is not developed and instead the state is allowed to create social mass production through state plans? The past socialist pattern was built precisely on the basis of this theory. This theory, at first glance, seems to be tenable. But experience tells us that modern mass production being so complicated, state plans definitely cannot take things as they come. In important sectors, we cannot help appointing a number of business departments to formulate plans. In less important sectors, plans are to be drawn up by regions. Supervision over the implementation of plans is exercised through departments and regions. Plans of departments or regions are lacking in horizontal economic ties. They respectively seek development within the scope of departments or regions, so that departments and regions are respectively separated from each other. All that can be achieved is something "large and complete," or "small and complete." This does not help toward specialized cooperation between enterprises and interferes with the development of social mass production.

The superiority of socialism lies in enterprises and the laboring people being masters of the state and being capable of giving full play to their own initiative and enthusiasm. But our past economic management system caused enterprises to be a burden on the state through "eating from the same big pot" and workers to be a burden on enterprises while "eating from the same big pot." They were incapable of giving full play to their own initiative and enthusiasm. Such artificially created social mass production is not a lively organism made-up of vital cells and is instead a structure made of lifeless bricks incapable of surviving on its own. Now, if our reform is to bring life and vigor to enterprises, we must do away with separation of departments or regions and develop horizontal ties. Under the guidance of state plans, we must develop, through the commodity economy, a vital pattern of social mass production. In my opinion, only this is compatible with the objective laws of economic development and with Marx's doctrine on historical materialism.

In the past, people were accustomed to treating the socialist system as the opposite of the capitalist system and not noting it as also a successor to the capitalist system. Since it is a successor to capitalism, its structure naturally contains many components similar to those of capitalism, just as a man's body is similar to that of a monkey. Every socialist economist must study "Das Kapital." This is because many economic laws reflecting the commodity economy and social mass production under the capitalist system still continue playing their role in socialist society. Socialist society should not do away with the relations between commodities and money fully developed during the period of capitalism. Only the system of ownership of important means of production and the ensuing commercialization of labor and exploitation of the surplus value of laborers by capitalists should be dropped.

I stress important means of production and not all means of production. This is because socialist society still cannot allow for the existence of a large number of small producers. It is also because though the means of production within the framework of the collective ownership economy are publicly owned, the means of production among various collective economic undertakings still belong to different owners. Those collective economic undertakings supplied with more means of production and equipped with better production conditions can obtain more economic interests and remuneration for labor than other collective economic units. Here traces of the old society still exist. In history, many social economic patterns were complicated. In new social economic patterns, the traces of old social economic patterns remain, to a greater or lesser degree. Marx wrote "Das Kapital" because he wanted to make a scientific analysis. He projected small producers in abstract terms. But reality is more complicated. Even in today's most developed capitalist countries, there still exist large numbers of small producers. Socialist society (especially in the initial stage of its development) also cannot possibly be a society with the existence of just one component of an economy. Given the predominance of the system of public ownership of the means of production, it can have many components of an economy (including the individual economy) in existence at the same time.

For the above reasons, in studying the socialist economy, we must seriously take up "Das Kapital" and study all the economic laws described in the book with their continuous role in socialist society — especially the law of value governing the commodity economy. But at the same time, it should be admitted that "Das Kapital" is, after all, a work concerning the study of the structure of the capitalist economy. It cannot be borrowed in a simple way to solve the new economic problems appearing in socialist society. We should not confine the study of socialist economic problems to "Das Kapital" and other relevant works by Marx. Instead, we should study what he wrote on historical materialism. On the basis of this scientific principle and our own actual socialist experience, we should properly combine the two, thus creatively exploring new socialist theories and pushing Marxism forward as a science.

Critically Borrow Useful Experiences of Western Countries in Running the Commodity Economy [subhead]

More than 100 years have elapsed since Marx' death. In these 100-plus years, not only have a number of socialist countries arisen, but capitalism has shown great development. Marx gave an overall description of the fundamental laws of capitalist development. It cannot be said that he had exhausted all laws of capitalist development. A work by Lenin on imperialism pointed out that when capitalism had entered a new period in its development -- the period of monopoly capitalism -- many new laws would appear in this new period. This is a new development of Marx' theory on capitalism. But capitalist development similarly has not ended at this stage. Thus, the study of all laws governing capitalist development also cannot stop at this stage.

At present, the commodity economy in capitalist countries is far more developed and complicated than 100 years ago. Bourgeois experience in running the commodity economy is also richer than it was 100 years ago. As the socialist economy is a planned commodity economy, it is still necessary for us to learn capitalist countries' rich experiences in controlling the commodity market, the financial market, and so forth. When the New China had just been established, given the coexistence of five components of an economy, we had quite an active commodity market and quite an active financial market. Moreover, we had the rich experience of the state economy guiding the commodity market and the financial market. It was a pity that after the fundamental completion of the socialist transformation of the system of ownership of the means of production, we learned the Soviet ways of running the economy and gradually strangled the originally quite active market. For a long period of time, due to our being in a hurry to seek instant success in economic construction and the supply of the means of production and consumer goods falling short of demand, we were prompted to further strengthen planned administrative management in an attempt to use such planned management to solve the contradictions between supply and demand. Experience has shown that this is against the objective laws of economic development. To restore the relations between commodities and money and restore and expand the commodity market and the financial market, we must critically borrow experiences of capitalist countries useful to us in these respects and also absorb our own originally acquired experiences.

Since it is a commodity economy, we must liberalize the market and make full use of the spontaneously regulating role of the law of value under the guidance of state plans. In the past, we interpreted the use of the law of value too simplistically. We thought that this meant letting the state fix and readjust prices and not letting the law of value assert its regulatory role spontaneously. Now it seems that this is not accurate enough. On the market, there are several hundreds of thousands of varieties of commodities. Given several millions of specifications, designs and colors and also regional differences, seasonal differences, wholesale and retail price differences, and so forth, there are likely to be several tens of millions of different prices. The supply situation is also changing ceaselessly. Any giant commodity price control organ cannot take things as they come. For several years, we have liberalized the market turning commercial undertakings run by the state alone into ones respectively run by the state, the collective, and the individual at the same time. Meanwhile, the prices of a large portion of consumer goods and some means of production have been liberalized, stimulating the development of production, the thriving of the market, and the improvement of the people's life. If the market were not liberalized with prices liberalized and free competition encouraged, how could such a bustling scene marked by booming purchases and sales have appeared?

Using the spontaneously regulating role of the law of value is an effective means to safeguard a supply and demand balance in various kinds of commodities. It also enables the economic control departments to spend less energy in microeconomic regulation and reserve energy for the strengthening of the macroeconomic control of the national economy. Take the functions of the human body for example. Our heartbeat, blood circulation, breathing, secretion of digestive juices, opening and closing the pores, and so forth regulate themselves automatically independent of the nerve center -- the cerebrum. Some activities originally directed by the cerebrum can become "conditioned reflexes" without being again directed by the cerebrum, as time goes on. Thus, the cerebrum can concentrate on absorbing important news of various kinds, analyzing and studying it, and directing more complicated advanced activities. The operation of the national economy is more complicated than the human body. There is all the greater need for the economic control organ to let microeconomic activities regulate themselves in every possible way, to give full play to the enthusiasm and initiative of every enterprise and every worker in managing for themselves, and to let the production and sale of most of the products be spontaneously regulated in every possible way by the law of value. Thus energy can be concentrated on macroeconomic control, with important problems in the national economy solved. Microeconomic activity does not mean no control. It means using fewer administrative means but more economic means in control. In this respect, bourgeois economists have a lot of worthwhile experiences that we can learn from.

In the macroeconomic control of the national economy, most important of all is the balance between overall social demand and supply, the proportionate relations between consumer funds and accumulated funds, the proportionate relations between various sectors of the national economy, and long-term or medium-term development strategy. For a long time, economic departments in charge at various levels in our country devoted an extremely great amount of energy to microeconomic regulation, and did not pay adequate attention to macroeconomic control. As a result, many serious mistakes occurred. After a mistake was discovered, administrative means were hastily used to seek one solution after another. There was an unwillingness to use economic means to let a problem solve itself. It was feared that the use of the latter means would bring about a capitalist comeback. In the 10 years of turmoil, there was the slogan that "we would rather have socialism with poverty than have capitalism with wealth." Such absurd thinking has, to date, not been eliminated in the minds of all people. They have an inadequate understanding of our socialist economy's great strength in the matter of leadership. They do not fully understand the reason why, after the relaxation of microeconomic control, economic means can be used to exercise macroeconomic control. They always fear that once the law of value is allowed to spontaneously assert its regulatory role, capitalism could stage a comeback. In my opinion, this is a big obstacle to our economic reform where ideological awareness is concerned.

In the past few years, in the process of liberalizing prices, many chaotic phenomena have appeared, such as speculation, deception, marking up prices, and so forth. These are not the results that naturally ensue from liberalization. On the contrary, the reason is that we have failed to totally liberalize the market. Control over the market is less than sound. There is still an absence of free competition. Free competition is a prerequisite for an enterprise's quick response to the spontaneously regulating role of the law of value. Of course, in making full use of the spontaneously regulating role of the law of value, state commercial undertakings and other economic control organs must also exercise guidance and supervision over collective and individual traders and make readjustments for surpluses and shortages between areas in line with needs. Spontaneous regulation by the law of value is often marked by "oversensitive reaction." Where supply falls short of demand, people rush to increase production. This is quickly followed by supply exceeding demand. [paragraph continues]

When supply exceeds demand, people rush to reduce production or make a switchover in production. This is again soon followed by a shortfall in supply. Especially when the market has just been liberalized with everyone lacking in experience, such a phenomenon is more likely to occur. Therefore, at the same time, while sensitive information is being provided through the medium of prices, economic control departments, especially market control departments, must also collect information about national conditions and make quick forecasts of results. When there is "oversensitive reaction," a timely warning should be given with proper measures taken and guidance given, in order to reduce, by every possible means, blindness naturally brought about by the commodity economy.

In sum, many objective laws relating to the commodity economy must play their role in socialist and capitalist countries. Certain similar measures can be taken to given full play to their positive role, in order to guard against their negative effects. The only difference is that socialist countries have a powerful state economy and have greater strength to guard against their negative effects. For this very reason, we are also like to abuse the great strength of the state economy, especially state organs, making excessive administrative intervention and impairing the positive role of the law of value. In the past, due to the random use of administrative means to intervene in the matter of prices, our price system was seriously distorted, creating obstacles in price reform. This lesson should be learned.

Since we recognize the need to develop the planned commodity economy and to make full use of the role of the law of value, then the experiences of Western countries in controlling the market economy and their theory about macroeconomic control of the national economy are, in most cases, worth being studied and drawn upon by us.

Under the guidance of Marxism, we must combine the scientific principles of Marxism with practice in our socialist construction, study our own experiences, and critically borrow useful experiences from Western countries in running the commodity economy. Only in this way can we achieve continuous victories in the building of socialism with Chinese characteristics.

GUANGMING RIBAO STRESSES MARXISM IN REFORM

HK071350 Beijing GUANGMING RIBAO in Chinese 22 Mar 87 p 3

[Article by Bao Xinjian (0545 1800 7003): "Uphold and Develop Marxism in the Course of Reform"]

[Text] Essentially speaking, China's socialist reform is to explore a road of building socialist modernization with Chinese characteristics in accordance with the basic tenets of Marxism. Various complicated phenomena in the course of reform have repeatedly reminded us that combining in an organic way the adherence to reform and the upholding of Marxism is a work that should be done with strenuous efforts. There are some special reasons for the emergence of this difficult problem. 1. Reform means exploration. For many specific problems in reform, there are no established rules to follow and no ready answers to find in the classic works of Marx. Therefore, some comrades have a misunderstanding, thinking that Marxism is "no good" and "outdated." They thus set adherence to reform against the upholding of Marxism. 2. Reform needs blazing new trails, and bringing forth new ideas in particular. People have unceasingly called for renewing their ideas over the past few years, but they have different opinions on renewing their ideas. [paragraph continues]

Some comrades unilaterally held that renewing people's ideas means doing something unconventional or unorthodox, so that they treat all previous ideas and concepts, including the essence of China's traditional culture and the theory of Marxism and Leninism as obstacles to renewing people's ideas. 3. Along with the development of opening up to the outside world, particularly opening up to the outside world ideologically and culturally, various Western social ideas have bewildered some young people who have little understanding of Marxist theory. They believe that only the philosophies and social sciences of the bourgeoisie are classics. Therefore, to develop reform healthily, it is necessary for us to clarify some wrong understanding of and wrong attitude toward Marxism and Leninism in the course of reform.

The reform we are carrying out is a self-perfection of the socialist system and it means integrating the basic tenets of Marxism-Leninism with China's practical conditions and building socialism with Chinese characteristics. Obviously, the guiding principle for such a reform can only be Marxism, not other doctrines. "Building socialism with Chinese characteristics" comprehends two basic aspects: 1. We must adhere to the basic tenets and principles of scientific socialism. 2. Everything must proceed from China's national conditions so that Marxism can be deeply rooted in China. Without Marxism, there will be no socialism with Chinese characteristics; None of the CPC Central Committee's line, principles, and basic policies on reform since the 3d Plenary Session of the 11th CPC Central Committee has deviated from the basic tenets of Marxism-Leninism. The essence of economic structural reform is to invigorate the economy. There are many specific ways to invigorate the economy, but none of them should deviate from the two basic points: 1. Adhering to the dominant position of the public ownership. 2. Upholding the principle of distribution according to one's work and avoiding polarization. These two are the basic points of scientific socialism. It is precisely due to our adherence to these basic tenets and principles of Marxism that we have effectively guaranteed the socialist orientation of various reforms on economic structure. The guiding thinking of the CPC Central Committee on political structural reform has always been explicit, that is, on the basis of adhering to the party's leadership and the people's democratic dictatorship, to reform and perfect the leadership system of the party and state, to further expand socialist democracy, and to perfect the socialist legal system, so as to meet the needs of building socialist modernization. Political structural reform must attain several specific targets. 1. It must give vitality to government organs so that they can better play their functional role in serving the economic foundation. 2. It must overcome bureaucracy and raise efficiency. 3. It must bring about democratic management and arouse the enthusiasm of the masses for building socialism. All these basic principles on the political structural reform indicate the basic spirit of Marxism.

The history of our party clearly tells us that without a high degree of theoretical level, it is impossible to carry out socialist revolution and build socialist modernization. The reform we are carrying out is a socialist reform. If we do not have a clear understanding of "What socialism is," the most essential theoretical problem, or have confused ideas on the prerequisite to reform, then it is impossible to carry out the reform. If we do not uphold Marxism, then the reform will deviate from the orientation of socialism. In the period of democratic revolution, Comrade Mao Zedong once vividly likened the Marxist stand, view, and method to "telescope" and "microscope." Today, confronted with the complicated task of building socialist modernization, we must all the more rely on Marxist "telescope" and "microscope." Especially in the period of a large-scale reform when the old system is being replaced by a new one, various social ideas are particularly active. Among them, there are new things that are continuously emerging and represent the orientation of social development, as well as ideas of bourgeois liberalization that arise by taking advantage of reform; there are a great number of advanced elements who vigorously support and promote reform, as well as some illegal elements who seek private interests under the pretext of reform.

Confronted with these new situations and problems that were not heard in the past, if we deal with them only with our experiences and feelings, we will find it difficult to pay attention to the overall situation and to know the true state of affairs. Only by applying Marxist views and methods, is it possible to calmly analyze and carefully study the complicated course of reform and remain sober-minded.

The reform we are carrying out takes as its precursor blazing new trails in theory. The reform calls for changing some conclusions that have been proved incorrect in practice or unsuited to the changed situation, and for breaking through and developing Marxism. This breaking through and development must take adherence to the basic tenets of Marxism as the basic prerequisite and demarcation line. The history of the development of Marxism over the past 100-odd years reveals to us two wrong understandings and attitudes toward the problem of "development." One is sticking to one of two basic tenets or words of classics and "making living Marxism a sacrifice of a dead dogma." ["Selected Works of Lenin" Vol 3, p 26] The other is adopting an equivocal and unprincipled attitude toward theoretical problems ("Selected Works of Lenin" Vol 8, p 287) and abandoning the basic tenets and principles of Marxism under the pretext of "development." We must say that these two wrong tendencies are disadvantageous to the development of Marxism still exist under today's new situation. Some people understand and judge reform with a rigid idea, treat reform as "unorthodox," adopt a suspicious or indifferent attitude toward reform, or try to find out ready answers from classical works when they deal with concrete matters, this undoubtedly runs counter to Marxism. However, if we wilfully do something unconventional or unorthodox by deviating from the basic tenets of Marxism, this absolutely is not development, but a distortion of the "development." Marxism-Leninism continuously enriches and develops itself in the advance of history of science. It has not ended truth, but will continuously open up a new road to know the truth. Our party's theoretical creations in the reform are enrichment and development of Marxism under the new historical conditions. This development is not abandoning the basic tenets of Marxism, but exploring new practice and solving new problems in accordance with its stand, view, and method. Hence, it also develops the Marxist theory itself.

COMMENTATOR'S ARTICLE SUPPORTS SUPERVISION

HK060012 Beijing CONGREN RIBAO in Chinese 23 Mar 87 p 1

[Commentator's article: "Democratic Supervision Should Be Earnestly Ensured"]

[Text] Hu Chongkang, director of the Lanxi City cardboard plant, Zhejiang Province, paid no attention at all to the difficulties of the workers and staff members caused by the shortage of residential houses and went so far as to take five sets of new rooms for himself when some rooms were distributed at the plant. Moreover, he refused to turn over his old set of rooms to the plant. He was criticized by a worker, but he retaliated against him. This disgusting conduct of seriously abusing power to seek personal gains and engaging in unhealthy trends cannot but arouse the indignation of the people.

The seriousness of Hu Chongkang's problem lies particularly in the fact that after what he did was exposed by the workers and staff members, Hu Chongkang showed no sign of regret and falsely accused the worker who dared to criticize him of "going in for bourgeois liberalization," suspended him from duty, and asked him to make a self-examination. The Central Committee has explicitly pointed out that the struggle against bourgeois liberalization must be strictly confined within the party and should be mainly carried out in the political and ideological fields. [paragraph continues]

In enterprises, mainly education by positive example should be carried out among party members. It has also pointed out the necessity of seriously and earnestly improving work in various aspects, making efforts to overcome bureaucracy in action, correcting various unhealthy trends, and changing the attitude of being indifferent and rigid while opposing the ideological trend of bourgeois liberalization. Hu Chongkang openly distorted and violated the guidelines of the Central Committee's instructions on the struggle against bourgeois liberalization, and this is even more intolerable.

The incident of Hu Chongkang abusing power to seek personal gain and retaliating against a worker shows once more that democratic supervision in socialist enterprises is indispensable.

The party Central Committee and the State Council stipulated in explicit terms long ago the power of trade unions and representatives of workers and staff members of enterprises in discussing and examining major policy decisions, supervising administrative leadership, and defending the legitimate rights and interests of workers and staff members in enterprises. The "three regulations" which have been promulgated lately even contain concrete stipulations concerning the rights and role of trade unions and representatives of workers and staff members in this respect. All major policy decisions concerning the production and operation of an enterprise must be discussed and examined by the trade union and representatives of workers and staff members. All major policy decisions involving the interests of the workers and staff members and the enterprise, such as ways for distributing residential houses among workers and staff members, the construction of facilities to improve the welfare of the workers and staff members, and so on, must be discussed and examined by the trade union and the congress of representatives of workers and staff members. Such decisions can only come into effect after a decision on their implementation is made by the congress of workers and staff members. Such decisions cannot be decided by the plant director alone. In this way, on the one hand, the administrative leaders of an enterprise are required to respect the power of the trade union and the workers and staff members in making democratic policy decisions and exercising democratic supervision. On the other hand, the trade union and the workers and staff members are required to increase their sense of responsibility as masters, raise the level of democratic management, and be bold in exercising supervision. When the trade union of an enterprise, in particular, discovers that any of the existing administrative leaders has ignored the party's policies or encroached on the interests of the workers and staff members, the enterprise, or the state, or that a worker and staff member is attacked because he has exposed the mistakes of an administrative leader, it should stand firmly on the side of the workers and staff members. If any problem remains unsolved after efforts have been made within the enterprise, it should actively report to leading organs concerned in good time and in a responsible manner. Of course, in so doing, the trade union or the workers and staff members may meet with resistance, may even be attacked and retaliated against, and may suffer hardships. However, we should firmly believe that as long as we proceed from safeguarding the interests of the party, the country, the enterprises, and the workers and staff members, we will certainly have the support of the party and leaders concerned in the end. The fact that the city party committee has paid great attention to the exposure and report on plant director Hu Chongkang made by Zhao Yuehai, a young worker, and other workers of the Lanxi cardboard plant, amply proves this.

GUANGMING RIBAO STUDIES NATIONAL DEFENSE ECONOMY

HK080335 Beijing GUANGMING RIBAO in Chinese 28 Mar 87 p 3

["Economics Trends" column by Qin Chaoying (4440 2600 5391) and Wang Dong (3769 2639): "A Roundup of Seminar on the Strategy for the Development of the National Defense Economy"]

[Text] A seminar on the strategy for the development of the national defense economy was recently held in Beijing. Proceeding from the actual conditions in China's national defense modernization and the reform of the national defense economic structure, the meeting explored theoretical and practical questions on the strategy for the development of China's national defense economy.

On the Concept of the Reproduction-Type National Defense [subhead]

Some comrades pointed out that reproduction-type national defense refers to a state national defense system which, in the process of its overall development, in addition to safeguarding national security and interests and yielding first-time social effect, can also yield direct or indirect economic results and social benefit at each level on a larger scale and turn the national defense system into a system which is not purely a depletion type, thus constantly providing various resources and motivating forces for the development of the entire state system.

Other comrades pointed out that the concept of "reproduction" should not be limited to economic results in the narrow sense. This is because only material production creates value. Only input in expanded reproduction can yield direct economic results and be regarded as reproduction. Input in the building up of the national defense, however, is nonproductive expenditure. For this reason, it is necessary to fully affirm the reproduction role of the building up of national defense in social benefit. This will not only make it easier for us to clearly understand, from the angle of major state system, the promoting role of national defense on the national economy, but also help us make an in-depth study of the reproduction function of the building up of the national defense in the development of state system.

Achieving the Transformation of National Defense From a Depletion Type to a Reproduction Type [subhead]

Some comrades pointed out that there are two types of national defense: The purely depletion type and the reproduction type. China's national defense should change from a depletion type to a reproduction type. China's defense spending can generally be divided into two parts: 1. Input in arms and ammunition, combat training, and so on. It brings security and stability to the state and, therefore, its benefit cannot be calculated in terms of money. 2. Cost of scientific research and capital construction (including investments in the construction of transport and communication facilities for military use). In addition to playing the role of bringing security and stability to the state, these expenses can also yield direct economic results. If the amount of reproduction exceeds the total input in defense spending, the transformation from the "depletion-type national defense" to the "reproduction-type national defense" is achieved. Practice in recent years shows that, as part of overall defense spending, the scientific research spending has succeeded in achieving reproduction. However, viewed from the amount of technological transfer, this represents only a small portion of the technological inventions in the scientific research and production system of the national defense. Viewed from the content of technological transfer, a large number of high-class technological inventions are still locked in military safes. [paragraph continues]

The technological disparity [Luo Cha 5507 1567] between the national defense economic field and the civilian economic field shows that there are good grounds for the establishment of the reproduction-type national defense.

The Shift of National Defense Structure From a Closed Type to an Integrated Military-Civilian Type [subhead]

Many comrades pointed out that for a long time China's national defense structure has been a closed system having little contact with civilian departments. The result is: On the one hand, many infrastructures lie idle and a large number of scientific research personnel and technological inventions cannot give scope to their roles; on the other hand, we make constant investments by importing technology and equipment from abroad and engaging in duplicate and unplanned construction. A way to rectify this irrational condition is to shift the building up of national defense from a closed type to an open type so that the building up of national defense and the national economic construction can exist together and promote each other.

Many comrades hold that it is not enough for the military industrial enterprises to use their surplus production capacity to produce goods for civilian use, for military technologies to be transferred to civilian industries, and for the Armed Forces to directly support local production and construction. It is necessary to establish links between the national defense and civilian systems in the field of information, materials, and intellectual resources to achieve a benign cycle between them.

Circulation of information. The building up of national defense and the national economic construction should exchange information regarding development plans and measures for their implementation so that they can make overall arrangements, give due consideration to each other, and achieve a better comprehensive effect with less input.

Circulation of materials. Provided that the growth in defense strength is not affected, it is necessary to vigorously support the state economic construction with the existing material means of the national defense system. Payment should be made for the use of military facilities and the income can be used again in the building up of national defense.

Circulation of intellectual resources. Since the national defense system has a large number of intellectuals at its disposal, it should fully exploit their role in the national economic construction. The scientific research personnel and teachers in the localities should also "intellectually support the Army" to improve the cultural quality of the Army.

SURVEY EXPECTS 'UPSURGE' IN FOREIGN INVESTMENT

HK061033 Hong Kong ZHONGGUO XINWEN SHE in Chinese 0915 GMT 30 Mar 87

[Report: "A Sino-U.S. Joint Survey Indicates That China Is on the Eve of an Upsurge of Foreign Investment"]

[Text] A joint survey recently made by China and the United States revealed that China is on the eve of an upsurge of foreign investment and the opportunity is ripe for companies of Western countries to make strategic investments in China.

This survey was conducted by the U.S. international management advisory company A.T. Kearney and the Chinese Ministry of Foreign Economic Relations and Trade and involved 70 productive Sino-foreign joint ventures.

The survey indicated that China's economy and its environment for foreign investments continue to improve and develop in a positive direction despite some shortcomings in China's policy on foreign investments and some misgivings in public opinion abroad on the political situation in China.

The survey on 70 productive joint ventures run by 10 foreign countries and regions, including Western Europe, North America, and Japan, suggested that these enterprises are now beginning to make certain achievements in the direction originally set. The operational results of 50 percent of the enterprises surveyed exceeded the targets originally planned, 44 percent of these enterprises fulfilled their targets, and 6 percent of them could not reach the targets set.

Although they have met with various difficulties in their operation, most of these enterprises are satisfied with the low recovery rates realized in the preliminary stage. They pointed out that their present successes serve as an important basis for making long-term profits in the future.

An inquiry among the high-level managerial personnel of the mother companies of these joint ventures disclosed that 90 percent of them were willing to make further investments in China even if there might be difficulties in running joint ventures in China. Sixty percent of them remarked that their investments in China had produced the expected results.

As pointed out by the survey, the most successful joint ventures can market their products in and outside the country and enjoy high exchange rates. Comparatively speaking, some enterprises that did not do well in preparatory work now have many problems to overcome.

This large-scale joint survey is a systematic Sino-foreign joint survey on joint ventures conducted for the first time since the implementation of the policy of opening up to the world in 1979. The survey report will provide a whole set of patterns for the investments foreign companies have made or will make in the future.

The international management advisory company of the U.S. A.T. Kearney, is an international consultant organization with a history of 60 years. Its work enjoys a world reputation and carries authority.

The results of the Sino-U.S. joint survey will be formally made known to the world in mid April.

NI ZHIFU DISCUSSES REFORM OF ENTERPRISES

HK070151 Beijing JINGJI RIBAO in Chinese 24 Mar 87 p 2

[Article by Ni Zhifu (0242 1807 4395): "On Lateral Economic Combination"]

[Text] In order to carry forward economic reform, develop the productive forces, and build socialism with distinctive Chinese characteristics, we must discard the conventional concept of the natural and product economies and effectively foster the new concept that only by perfectly developing the commodity economy and enlivening enterprises will we be able to achieve the economic modernization of our country.
[paragraph continues]

At the same time, in order to act according to the law of commodity production, smash the old structure marked by too little decisionmaking power to enterprises and the barriers between higher and lower levels and between different departments or regions, reform the closed organizational structure of enterprises and the operational form of small production and organize large-scale socialized production according to the principle of coordination based on specialization, so as to promote the development of the socialist commodity economy, we must encourage lateral economic combination among enterprises.

Combination Must Be Closely Integrated With Specialization, and They Must Supplement Each Other [subhead]

Tianjin is an old industrial base in our country. It has engaged in specialization and large-scale specialized production for a long time and has many experiences and lessons which are worth reviewing and summing up. For example, in the 60's and 70's, some enterprises once developed specialized production in a bid to change the "large and comprehensive" and "small but comprehensive" organizational structure but finally they have to take the road back for various reasons. Why was it very difficult to develop specialized production? One of the reasons is that some elements of our economic policies at that time paid no attention to promoting combination. Now that we are carrying out economic reform, we must pay attention to guiding enterprises to develop lateral economic combination in line with the strategy of economic development. Through lateral economic combination, we can tap all available potential in manpower, material resources and financial resources so as to create new, coordinated productive forces. Our economic reform must benefit the development of specialized production and help promote lateral combination among enterprises. We must study and formulate some policies to push enterprises to develop specialized production so that they can change from the closed structure to an open one and stand facing society. For example, in terms of policy, awards must be given to some large factories if the utilization ratio of their mold workshops and modern instruments and equipment is high through opening to society. At the same time, those enterprises which are able to serve society, but are unwilling to open to society, should be penalized. During the Seventh 5-Year Plan, Tianjin will enormously increase the production of brand-name, high quality products and undersupplied products through lateral economic combination and specialized production to meet the needs of increasing exports and to develop the light and processing industries of producing high-grade textile and other light industrial goods, fine metallurgical and chemical products and light-duty machinery and electrical appliances. To this end, we must work hard to enhance the level of basic technology and to produce basic materials and basic components ("three basics" in short). Only by doing so, will we be able to provide fundamental conditions and advanced technical equipment for the development of first products and will be able to quicken the pace to use the results of scientific research in production.

Combination Needs New Ideas, New Thinking and New Methods [subhead]

On the basis of delegating powers to enterprises, developing lateral economic combination is a new thing and a new subject in the current economic reform. The crux of the sound development of combination lies in safeguarding decisionmaking powers of enterprises. The demand of enterprises for combination itself reflects a kind of right to handle enterprises' own affairs. If departments in charge prevent enterprises from combination, this means they infringe upon their right to manage their own affairs. Through promoting lateral economic combination among enterprises, we must streamline administration and institute decentralization at a faster pace, and expose and remove the obstacles which exist in the current structure, regulations, and systems and hinder lateral economic combination.

The departments in charge of comprehensive economic management and the departments concerned should support lateral economic combination. At present, there are still very strong barriers between different departments and areas. Enterprises still find it difficult to develop lateral economic combination because the work of enlarging the decisionmaking powers of enterprises is not satisfactory and there are still too many restrictions on regular production and operations of enterprises. Some enterprises pointed out that the hindrance to expansion of the enterprises' decisionmaking powers and lateral economic combination mainly comes from bureaus in charge of them and administrative companies. To be fair, aside from the "middle obstruction" problem, some comrades working at our party and government leading organs also do not have a correct understanding of delegating powers to lower levels and promoting lateral economic combination and some present policies and management methods cannot contribute to breaking with the old structure. Meanwhile, in the process of changing the old structure into a new one, people are apt to negate some things which are not ripe enough for reform by administrative means when they are confronted with difficulties and problems, and they often replace the new structure, which is still in the formative stage, with the old structure. To solve the problem of delegating powers to lower levels and promoting lateral economic combination, we must therefore first break with conventional ideas and force of habit so that our guiding ideology will change thoroughly. Especially when reforms involve the interests of regions, departments and the individual, our party members, and particularly leading cadres, must have a very high plane of thought. Whenever we think and do something in the course of reforms, we must consider whether it conforms to the interests of the people and whether it will aid the establishment of a new structure. Regarding the four modernizations as our duty and proceeding from the overall interests of reform, we must really hand the powers which are due to enterprises to them and support and help enterprises to develop lateral economic combination so as to hasten the development of the social productive forces. With the delegation of powers to lower levels and the development of lateral economic combination, the administrative functions of the relevant government departments will gradually be changed and overlapping administrative organs will be disbanded.

The rural reform is aimed at achieving common prosperity, so is the urban reform. In the new economic associations or enterprise groups, the economic relations between enterprises and their interests are based on voluntary participation and mutual benefit and on common development. Both main engine manufacturers and factories of special spare parts should not ignore the interests of their counterparts and should not be so calculating so as to make big profits for themselves. They should not scramble for power and profit among themselves and must be willing to part with profit so that they will link themselves with others on the basis of mutual benefit and share a common fate.

At present, a new economic structure is taking shape while the old one is gradually dying away. While the new is replacing the old, many contradictions are emerging. Particularly in the fields of manpower, financial capacity and material resources, the old economic structure is still playing a major role and still creating obstructions. For this reason, we must take some interim measures. With the setting up of new economic associations, it seems some people do not have judgement of their own because their "mothers-in-law" have disappeared. At present if there are no "mothers-in-law" at all, many things cannot be done easily. The problems regarding party credentials and political treatment should be solved first. At the initial stage, newly set up economic associations can "link up with and depend on" a department and design some feasible methods for management purposes. However, one thing must be made clear that an economic association is an economic entity, which acts as a legal person for independent operations and is not an appendage to a certain department. [paragraph continues]

In terms of distribution, economic associations should be different from the previous administrative companies in following the principle of more profit for more work. With the conventional idea about administrative rank gradually fading away, there will be no scramble for the administrative treatment between the county, regimental grades, and the bureau grade. It must be seen that in the economic reform, a large number of entrepreneurs of action with strong will of reform and strategic foresight will certainly come to the fore and some of them will become social activists in different economic sectors. Therefore, their due political, economic and social status must be acknowledged in society. Different types of economic associations should open up some necessary new channels in the fields of planning and supply of materials such as independent planning and direct supply of materials. To gain experience, experiments can be made at first as long as they are favorable to production, and the establishment of a new economic structure. In the administrations set-up, multitiered departments and bureaucratic structure should be avoided and administration should be fewer but better and highly sufficient. Posts existing in name only should be abolished. In a word, we must strive for better staff and simpler administration and employ those who have great ability and are bold in putting things into practice and blazing new trails.

Promoting Technological Progress in Enterprises Through Combination [subhead]

Industry has long been developed in Tianjin, and there are a large number of skilled workers, technicians, and management personnel. These people have both technological knowledge and practical experience, and they are capable of developing some new products. In the past, Tianjin took the lead in developing some new products in the country. However, batch production was not raised to a higher level, and the technical properties and quality of the products were not markedly improved. These new products did not bring about satisfactory economic results, and Tianjin also lost its advantages in new products. Facts show that the development of a number of sample products of new type is not equal to the development of the capacity of putting these products into batch production. Formally starting to produce a new product requires a certain amount of investment and a certain number of skilled workers, technicians, and management cadres. At the same time, it is necessary to develop new materials and new-type mechanical and electrical components and spare parts which are suited to the requirements of the new product. Without these basic production conditions, the research achievements cannot be converted into productive forces. If the technical strength is scattered, an enterprise itself will not be able to develop the new technology, the new product, and new materials by relying merely on its own strength, and will just get half the result with double the effort. If the enterprises are integrated into a combination body, their partial advantages will be turned into overall advantages, and this will speed up technological progress and raise their competitiveness.

To develop the technological advantages of the enterprises and enterprise groups, it is first necessary to give full play to the existing technical personnel, and at the same time give technical training to all workers. At present, some young workers have inferior technical training and skills, and are not suited to the requirements of modern mass production. We should actively create good conditions and set up some sample factories to train workers. More technical schools and training centers should be set up. A number of factory managers and engineers who have rich practical experience should be sent to act as school headmasters and teachers. We should proceed from the realities of the enterprises and train useful skilled workers with both theoretical knowledge and practical experience. In addition, we should adopt policies to encourage workers to learn technical know-how. [paragraph continues]

The workers should feel they have a brighter future if they master more technological knowledge and skills. This should be expressed in our wage system and technical title system. After a worker is promoted to be an eighth grade skilled worker, he can still be promoted to an engineer if he passes an examination. In some Western countries, experienced engineers enjoy very high positions and high pay in enterprises. This is favorable to the development of enterprises' production. Things in this regard should be more reasonable in our socialist enterprises.

Specialization and combination should be integrated with technological transformation, and the key to technological transformation is to raise the precision and automation degree of the equipment. We should not spend too much money on the environment of plants. Now our technology remains too backward. If we do not make efforts to digest, absorb, and create new technology, we will lose development momentum, and our enterprises will become outmoded and backward with their products becoming useless. We should digest and absorb all the imported technology, and make great efforts to raise our own technological level. The technological level is reflected in two aspects, namely, people's intelligence and technological knowledge, and the advanced machines and equipment. In addition, we should also raise our management level and strengthen our political and ideological work in the enterprises.

It seems now that there are four aspects in the technological transformation of the enterprises:

First, we should import the technologies which we cannot develop by ourselves in a short time, and we should pay some tuition fees for the import of complete plants and technology from abroad.

Second, to transform some old enterprises, we need only import some key technology and equipment rather than complete plants. This will be more economical.

Third, digital control equipment and microcomputers can be installed on the old equipment so as to raise the work efficiency of the old equipment.

Fourth, we should coordinate the design and production of some non-standardized equipment. A number of factories should be transformed or shifted to produce non-standardized equipment. The repair plants in various industries should play a role in this regard. Until now, our country has spent too much foreign exchange on importing non-standardized equipment. The duplicated import of production lines can frequently be seen. This should not continue. We should seriously analyze the imported equipment and production lines. If we need more or some equipment to develop production, we should first try to absorb the technology and design and manufacture the equipment by ourselves.

It Is Necessary to Study and Formulate the Policies for Encouraging Enterprises To Form Lateral Economic Combination [subhead]

Combination is made on the basis of the enterprises' self-determination. That is, the enterprises themselves should have the right to decide whether to join or withdraw from the combination. The duty of a leading department is to pay attention to new developments, study new questions, and help the enterprises select their cooperation partners and work out cooperation plans on the basis of correctly realizing their advantages and disadvantages. [paragraph continues]

The leading departments should also coordinate the interests of all parties concerned and build economic links between the enterprises. In a word, they should do service and coordination work. They must not take any arbitrary measures to force the enterprises into combination without discrimination. Such a practice violates economic regularity, and will certainly hinder the development of production.

Our policies should support horizontal combination, and our laws should ensure horizontal combination. The enterprises should be guided to go beyond the close structure of self-sufficiency and to emancipate themselves from the economic mode of "being large and comprehensive" or "being small and comprehensive" so as to go into the broad scope of horizontal combination. At present, we should mainly work out proper development plans, determine development orientation, and formulate encouraging policies. For example, enterprises which join combination bodies can be given some favorable conditions in financial matters, taxation, credit, and prices. Capitalist states also offer certain subsidies to the industries which run at a loss and are also urgently needed in the national economy; after they are freed from the difficulties, the states will again impose taxes on them. We should also study and adopt some necessary policies which are useful to develop combination and promote economic construction and formulate some laws and regulations for guaranteeing the legitimate interests and rights of the combinations and the enterprises which join those bodies. This should be done as soon as possible, and should be perfected continuously. Enterprises must participate in, and withdraw from, the combination bodies strictly in light of some established regulations and the contracts. The combination bodies must not be set up and disbanded willy-nilly. There must be an effective management system.

The party central leadership has drawn up a grand blueprint for our socialist modernization construction. What we need is "detailed plans" for various specific fields and the perfect coordination of these "detailed plans." We should first unify our ideas and subject our work to the guidance of the correct guiding principles so as to realistically combine the long-term development plan with our current conditions and work and to dovetail the central leadership's general blueprint and our economic development strategy. We should then mobilize everyone to make unremitting efforts to realize this objective.

ARTICLE CONSIDERS OWNERSHIP, POWER OF OPERATION

HK071404 Beijing GUANGMING RIBAO in Chinese 28 Mar 87 p 3

[Article by Zhou Mubing (0719 1970 0393): "Tentative Views on Establishing a Credit System for the Separation of Ownership From the Power of Operation"]

[Text] In reforming the ownership relationship within enterprises, we are now trying to straighten out the interest pattern without changing the nature of the system of ownership by the whole people so that the enterprises can genuinely become socialist commodity producers and dealers that are relatively independent in management and responsible for their own profit and loss. How can we achieve this objective? In my view, establishing a credit system for the separation of the two kinds of rights is an effective way to achieve this objective.

Establishing a credit system for the separation of the two kinds of rights refers to the use of the credit system and the dual relationships between creditor's rights and liabilities -- those between the state and the enterprises and between one enterprise and another -- to achieve the separation of ownership from the power of operation regarding assets owned by the whole people. [paragraph continues]

In the credit relationship between the state and the enterprises, which is aimed at separating the two kinds of rights, the state, as the representative of the principal proprietor and a creditor, transfers the right to operate the fixed and circulating assets owned by the whole people to the enterprises through contracts or other agreements on the condition that the fixed and circulating assets should be repaid with interest. As operators of property owned by the whole people and as debtors, the enterprises independently use, in accordance with the terms of the contracts, the fixed and circulating assets with compensation and within a certain time limit. Thus, with the involvement of the credit system, the property owned by the whole people has a dual nature: It brings interest to the state and profit to enterprises. With the development of the relationship between creditor's rights and liabilities, the interest owned by the state and the profit owned by the enterprises will gradually transform themselves from quantitative to qualitative separation, harden, and become independent. The separation of ownership from the power of operation is fixed as an economic mechanism between the state and the enterprises. Because the separation of ownership from the power of operation is established on a credit system, the relationship between the state and the enterprises manifests itself merely as a credit relationship and the separation of microeconomic decision from macroeconomic decision is likewise achieved through a fixed form; After the state unilaterally transfers the property owned by the whole people to the enterprises on condition that the latter should repay it with interest, as a creditor the state no longer has the right to interfere in the production of the enterprises, which serve as debtors. Moreover, the enterprises should also assume a responsibility for the risks and losses in using the fixed and circulating assets with compensation and within a certain time limit. The establishment of a credit system for the separation of the two kinds of rights has not only separated ownership from the power of operation and macroeconomic decision from microeconomic decision but also straightened out the interest relationship between the state and the enterprises. As a principal regulator and controller, the state derives a proper amount of taxes from the surplus products of the enterprises; and a representative of the asset proprietors, it also derives a proper amount of interest from the surplus products of the enterprises. The nature of the system of ownership by the whole people with regard to means of production does not change and the static stability [jing tai wen ding 7234 1966 4489 1353] of the macroeconomy also has a proper objective basis.

However, the establishment of the relationship between the state and the enterprises as one between creditor's right and liabilities has only straightened out the interest pattern relationship between the state and the enterprises. It has not straightened out the combination of the long-term and short-term interests of the laborers. This is because the division between accumulation and consumption still lacks a proper control mechanism. As we know, because the property owned by the whole people has such distinguishing features as inseparability or the impossibility to determine its amount, it has, to a large extent, become alien property to the workers and staff members. Governed by this sense of alienation, if there is not a fixed control mechanism in the division between accumulation and consumption, the workers and staff members are bound to share its as much as possible in an attempt to expand consumption and reduce accumulation. This will inevitably lead to the shortsightedness of enterprise actions and the enterprises will forfeit the material basis for self-transformation and self-development. Thus, we can see that, in order to completely straighten out the interest structure at the two levels and genuinely turn the enterprises into socialist commodity producers and dealers that are relatively independent in management and responsible for their own profit and loss, it is not sufficient to merely separate ownership from the power of operation. It is also necessary to separate the power of operation from the power of management on the basis of separating ownership from the power of operation. [paragraph continues]

The goal of separating the power of operation from the power of management is to develop a control mechanism for the rational division of accumulation and consumption within the enterprises. The key to the development of this control mechanism lies in the need for the managers of enterprises, namely, the entrepreneurs, to become the representatives of the enterprises' long-term interests so that they and the workers and staff members can restrain and coordinate with each other. In my view, the separation of the power of operation from the power of management, as well as the establishment of the control mechanism for the rational division of accumulation and consumption, can likewise be achieved through the credit system. Through the intermediary of this credit system, the enterprises, in the capacity of creditors again, transfer the management of the fixed and circulating assets, which the state transfers to them for management, to entrepreneurs through contracts or other agreements. In the capacity of debtors, the entrepreneurs independently manage the fixed and circulating, with compensation and within a certain time limit the assets which the enterprises transfer to them according to the terms of the agreements. The interest which the entrepreneurs pay to the enterprises should be entirely reserved as enterprise accumulation so that the accumulation takes a fixed and independent form. After the deduction of the interest, the enterprise profit will be distributed among the entrepreneurs and the staff. The income of the entrepreneurs and the staff should also be stipulated beforehand in the form of a contract: The former is directly related to the enterprise accumulation and the latter to the enterprise performance. Thus, with the use of the credit system, we can separate the entrepreneurs from the workers and staff members so that they can become the representatives of the enterprises' long-term interests, prevent the entrepreneurs and the workers and staff members from forming an interest community, ensure the rational division of accumulation and consumption, and promote the coordinated development and optimum restraint of the enterprises' long-term and short-term actions.

PAPER URGES EXPLOITING AGRICULTURAL RESOURCES

HK060821 Beijing RENMIN RIBAO in Chinese 2 Apr 87 p 3

[Commentator's article: "Extensively Exploit Agricultural Resources -- Sixth Talk on Increasing the Staying Power of Agriculture"]

[Text] Widening the field of vision and extensively exploiting agricultural resources is a vital link to ensure continuous and steady development of agriculture. This statement is grounded on the following two basic facts:

First, our country's per-capita area of farmland is too small, equivalent to merely 27 percent of the world's average figure. This is and will continue to be a major restriction on agricultural development in our country.

Second, China has plenty of nonarable land. We have 5 billion mu of grass slope or grassland, 1.5 billion mu of hilly land or desert hillside fields, 400 million mu of inland waters, and 36 million mu of coastal beaches...most of these resources have yet to be exploited.

If we just ignore these realities and continue to devote our attention solely to readjustment of the agricultural structure on the available limited farmland, we will hardly be able to avoid such practices as turning farmland into fish ponds and developing fruit tree planting at the cost of grain production. Taking a broad view, we can find that there are, beyond farming on arable land, broad vistas and enormous potential for our program to develop agriculture and enrich the peasants.

Comrades at various localities who have realized the crux of the problem went all out to exploit these rich resources a few years ago and have achieved great success. Xiaoshan County of Zhejiang Province and Anqiu County of Shandong Province are two good examples. Their experience has shown that there are bright prospects for agricultural development.

Being too partial to some kinds of foods is no good for man, and overexploitation of resources is no good for nature. As there are rich and varied agricultural resources, agriculture should be developed along many lines. Today, however 95 percent of the Chinese people's needs for clothing and food and about two-thirds of our raw materials for light and textile industries are directly or indirectly supplied by our limited farmland. This unreasonable situation should have been changed long ago. Agriculture needs a broader space for development and, in fact, good conditions for development are available. We should try our best to exploit hilly land, waters, and beaches that have not been utilized, make them serve mankind, and demand various agricultural products from them.

In order to encourage peasants to engage in developmental production, we need to prepare an agreeable external environment. This is a pioneer undertaking that needs huge initial investment but does not promise much benefit at the beginning. Without policies, laws, and regulations that carry conviction, peasants will not rashly invest labor and capital in any trade. Different localities can formulate a series of policies and measures in light of their local conditions, earnestly protect by legal means the legitimate rights of peasants engaging in developmental production, and support them in vigorously developing production without the slightest hesitancy. As compared with other lines of production, developmental production involves greater risk and more difficulties, and therefore needs extensive support ranging from funds, technique, seedlings, and so on. Our departments concerned should enthusiastically help those engaged in developmental production to overcome all kinds of difficulties that they may encounter in the initial period.

It is necessary to avoid blind action in extensively exploiting agricultural resources. We have suffered great losses in launching such projects as reclaiming farmland by filling up lakes or by denuding forests. No more stupid things like these should be done. All projects to exploit resources must be carried out in an organized manner in accordance with scientific planning. We should never seek quick success and instant benefit at the cost of long-term interests, social benefit, and ecological balance. We must make everybody understand that the rich resources of nature will be inexhaustible only if we always attach equal importance to protection and nursing of natural resources along with exploitation and utilization.

COMMENTATOR'S ARTICLE VIEWS SURVEY OF DISABLED

HK060656 Beijing RENMIN RIBAO in Chinese 1 Apr 87 p 4

[Commentator's article: "Do a Good Job in the Sampling Survey of the Disabled"]

[Text] With the approval of the State Council, a nationwide sampling survey of disabled people will be conducted from midnight on 1 April 1987. This task is of great significance.

There have been disabled people since human society began. Although the disabled constitute only a very small portion of the population, their existence is an important social problem in both economically developed and underdeveloped countries.

Ours is a socialist country in which the superiority of socialism should be displayed in the solution to the problem relating to the disabled. Since the founding of the PRC, the party and government have paid great attention to the work for the disabled and have done much work for them in terms of medical service, rehabilitation, education, and employment. The communique of the 6th Plenary Session of the 12th CPC Central Committee even lists the aid to and concern for the disabled as part of the efforts to develop the two civilizations.

We must have a clear picture of things before starting any project. However, so far we do not have in hand any accurate figures about various types of the disabled in the country. To do a good job in the work for the disabled step by step, we must first learn the accurate number of the disabled in the country, collect other information about them, and provide the departments concerned with reliable data as the basis for solutions to the issues relating to the disabled. This is not only a need of the planning of service programs for the disabled but also a need of the macroscopic management of the state and part of the survey of our basic national conditions.

Compared with the nationwide population census, the current nationwide sampling survey of the disabled involves much less work. However, as this survey concerns special objects of investigation and special surveying methods, and as the disabled population is scattered, it will present more and greater difficulties. This is a special social survey. Therefore, it is necessary to launch a social propaganda drive to call for all society's support and attention and let people know that the purpose of this nationwide sampling survey of the disabled is to seek the best solution possible to the problem concerning the disabled and to add tens of thousands of laborers to the human resources for socialist construction.

Beginning at midnight on 1 April this year, 10,000 investigators selected from 29 provinces, autonomous regions, and municipalities directly under the central government are to conduct survey and registration family by family in 423 randomly selected counties and cities within a month. The family visit investigation is an important stage of the whole survey. The quality of the family-visit investigation will have a direct bearing on the accuracy of the collected data. Therefore, in conducting the family-visit investigation, it is necessary to act strictly according to the common rules, to mobilize the masses to actively extend their assistance to the survey, and to seek support and full cooperation of various circles.

We believe that this task of far-reaching significance is bound to be completed satisfactorily with the concern of the party and government and the support of people from all walks of life.

SHANDONG'S LIANG ON RURAL ECONOMY

SK090358 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Apr 87

[Text] From 1 to 7 April, Liang Buting, secretary of the provincial party committee, went to Weifang City for investigation and study. He gave his opinions on how to achieve success in the second-step rural reform, expand the autonomy of departments at the country level, invigorate the rural commodity production, and develop integrated management of agriculture, industry, and commerce.

Comrade Liang Buting pointed out: Reform at the county level constitutes a very important level of the rural. As they are closest to the grassroots level, departments at the county level not only make policy decisions but also give commands, thus being a forefront command post for developing commodity production. Departments at the provincial, prefectural, and county levels should attend to invigorating enterprises at the county level, just as the large and medium-sized enterprises in the urban areas. They should grant more decision-making powers to the departments at the county level in order to exploit the role of various county party committees and governments in making unified planning, coordination, and overall balance for the development of the rural economy. By doing so, they can eliminate barriers between different departments or regions covered by the existing systems and organize various departments to make concerted efforts to invigorate commodity production. They should establish a trade-industry-agriculture structure, and should energetically carry out the second-step rural reform.

Comrade Liang Buting said: In the current economic structure, many barriers exist between different departments or regions. Instead of giving consideration to the overall interest, some departments only take into account their own interests and only serve the higher authorities. Failing to view the situation as a whole and refusing to stress the overall efficiency, each sticks to its own view and, sometimes, conditions each other, thus weakening the force of the entirety. Sometimes a county cannot conduct its work well even though it wants to do so. This calls upon us to grant more decision-making powers to the department at the county level in line with their specific situations. In this way, we can organize all professions and trades to engage in commodity production in a unified and coordinated way. In this regard, Zhucheng County has provided us with a good experience.

Comrade Liang Buting pointed out: In the countryside, we should establish a diversified management structure. In particular, the integrated agriculture-industry-commerce management system should be established among the areas at or below the township or town level. These areas should not sell raw materials alone, but should engage in the intensive processing of agricultural and sideline products. Through the development of intensive processing, these areas should change their superiority in natural resources to the superiority of their commodities. Beginning with the work of grasping the processing bases, we should build various bases to invigorate markets and arouse the initiative of the masses. Instead of engaging in the cropping and breeding industries alone, we should develop the secondary and tertiary industries. At the same time, we should support grain production through the method of operating rural industrial enterprises to support agricultural production so that peasants' initiative in growing grain will not be dampened. We should give a macroscopic consideration to grain production, and strive to bring back a benign cycle to agriculture.

SHANGHAI REPORTS RISE IN REACTIONARY ACTIVITY

OW090601 Shanghai City Service in Mandarin 0100 GMT 9 Apr 87

[Text] Vice Mayor Liu Zhenyuan spoke at a municipal cadres meeting yesterday afternoon. He said: The experience of the past 3 years has proved the complete correctness of the central authorities' decision to deal severely with serious criminal activities. It not only has helped solve the need to deal with abnormalities in public order, it has also set the indispensable conditions for upholding the four cardinal principles and promoting the policy of opening and invigorating the domestic economy.

The municipal cadres meeting, held in Zhubei Stadium, was sponsored by the Shanghai municipal CPC committee and the municipal Political Science and Law Committee.

Prior to the meeting, the Municipal Intermediate People's Court opened a session on the serious criminal acts of (Cao Changjun), (Zhang Chongfeng), (Zhang Xunhua), (Yang Qinggen), and (Yang Defa). The death sentence was passed on them by the municipal Higher People's Court, and they were immediately led to the execution ground and shot. Their criminal acts included murder for money; robbery, rape; knifing in a public place; and brutally assaulting young children, all seriously endangering citizens personal safety and property and sabotaging public order and social stability.

Vice Mayor Liu Zhenyuan said at the municipal cadres meeting that social order in the municipality has shown a marked improvement since the campaign to severely crack down on serious criminal offenses launched in Shanghai 3 years ago. [Words indistinct] has shown basic improvement. In general, the current social order situation in Shanghai is good, but there is still much to be desired. Serious criminal cases saw a marked climb in the first quarter of this year. Another thing worthy of our attention is, compared with the same period last year, there has been an increase of reactionary posters, books, and magazines attacking the Communist Party and the socialist system and supporting instigations and troublemaking.

Vice Mayor Liu Zhenyuan said we should continuously carry out the policy of severely and swiftly dealing with the punishing criminal elements. We should never waver or be soft with criminals. Liu Zhenyuan stressed that we should stress education and supervision of former inmates, young people, the transient population, and self-employed workers.

BRIEFS

NANJING SPECIAL GAS -- Beijing, 3 Apr (XINHUA) -- A newly-set up company in Jiangsu Province has ended China's dependence on imports for some special gases, the "PEOPLE'S DAILY" (Overseas Edition) said today. The company, in Jiangning County, produces more than 30 gases including silane, methane, and borane, which are used in integrated circuits, optical fiber, metallurgy, petro-chemical, and new building materials industries, said the paper. China used to produce them only in laboratories, said the paper, adding that products of the company have proved to be of compatible quality of imports, the paper added. [Text] [Beijing XINHUA in English 1152 GMT 3 Apr 87 OW]

SHAANXI LEADERS STRESS ANTILIBERALIZATION

HK070211 Xian Shaanxi Provincial Service in Mandarin 0030 GMT 7 Apr 87

[Text] The provincial conference of Propaganda Department directors concluded on 6 April. On the final morning, the comrades attending the conference, together with responsible comrades of the provincial organs, institutes of higher education, and factories, mines, and other units, totalling some 800 persons, gathered in the hall of the provincial party committee to listen to important speeches delivered by provincial party committee Secretary Bai Jinian and provincial advisory commission Chairman Zhang Ze. Also present were leading comrades of the provincial party committee, advisory commission, People's Congress Standing Committee, government, CPPCC, and military district.

The title of Bai Jinian's speech was "Unfold the Struggle Against Bourgeois Liberalization in a Resolute, Healthy, and Sustained Way." He focused on three issues: 1) Continue to seriously study and fully implement the spirit of the relevant central documents and carry out the struggle against bourgeois liberalization in a resolute, healthy, and sustained way. 2) Continue to strengthen the building of socialist spiritual civilization while carrying out this struggle. 3) Step up ideological and political work on all fronts.

Comrade Bai Jinian said: We must carry out the struggle against bourgeois liberalization in a resolute, healthy, and sustained way. By resolute, we mean taking a firm and clear-cut stand and attitude without the slightest ambiguity or wavering, which might lead to leaving the work half-completed.

By healthy, we mean strictly acting according to the framework, focal points, and policy demarcation lines laid down by the central documents. We must certainly not try to be different and go our own way. We cannot repeat historical mistakes by using leftism to oppose rightism, waging savage struggle, dealing merciless blows, linking problems to the upper and lower levels, or making everyone go through the ordeal. We cannot exceed the framework, focal points, and policy demarcation lines stipulated by the documents and inflate the struggle. We must promote, consolidate, and develop the political situation of stability and unity and stimulate reforms, opening up, and invigoration. We must ensure coordinated and steady economic development, and must not attack economic construction. We must promote socialist democracy and must not hamper normal democratic life.

By sustained, we mean establishing the concept of protracted combat and making plans for long-term struggle.

Comrade Bai Jinian pointed out that at present particular emphasis must be laid on resolution. Specifically, we must launch extensive and deep-going positive education in upholding the four cardinal principles and opposing bourgeois liberalization. We must do a resolute and proper job of straightening out newspapers and publications, boost and strengthen the media position, and do a good job in propaganda reporting on opposing bourgeois liberalization.

Comrade Bai Jinian pointed out that it is necessary to continue to step up the building of socialist spiritual civilization while conducting the struggle against bourgeois liberalization. He said: These two are completely identical. Opposing bourgeois liberalization is itself an important aspect of building socialist spiritual civilization. It is wrong to set strengthening the building of socialist spiritual civilization against the struggle against bourgeois liberalization, and to separate the two.

We must seriously implement the CPC Central Committee decision on the guiding principles for building socialist spiritual civilization and the province's 1987 plan for building socialist spiritual civilization. At present we must pay particular attention to stepping up education in ideals and discipline. We must oppose liberalist trends such as disseminating gossip and fabricating and spreading various political rumors.

After reviewing and summing up the province's achievements and experiences in ideological and political work in recent years, Bai Jinian said that it is necessary to further strengthen and improve ideological and political work, create new experiences and probe new ways during the practice of reform, and do a still sounder and more lively job in ideological and political work on all fronts.

Comrade Zheng Ze gave five views on how to carry out positive education in the struggle against bourgeois liberalization:

1. Grasp study. The rampant spread of the ideology of bourgeois liberalization and the weakness and ineffectiveness on the ideological front in recent years are related to the fact that certain leading cadres and many cadres and party members engaged in theoretical, propaganda, and cultural work have not done well in studying basic Marxist theory. Therefore, we must certainly not slacken study.

2. Write articles. This too is a good means of conducting positive education. Articles can be organized in four categories: 2) articles criticizing bourgeois liberalization; 2) articles expounding on the four cardinal principles; 3) articles concerning basic Marxist theory; 4) articles popularizing basic knowledge of Marxism and knowledge of the history of the Chinese revolution.

3. Organize lectures. The provincial, prefectural, and county organs and the enterprises, undertakings, and units can organize periodical lectures on special topics, to promote systematic mass positive education.

4. Make full use of negative educational material in organizing the masses to educate themselves.

5. Conduct positive education through the newspapers, journals, radio, and television.

During the conference, Mao Shengxian, member of the standing committee of the provincial party committee and director of the Propaganda Department, conveyed the spirit of the national meeting of Propaganda Department directors, and made a speech entitled "We Must Create a Good Atmosphere of Marxist Theoretical Studies in the Party." (Li Shanglin), deputy director of the Propaganda Department, delivered a speech entitled "Launch in Depth Positive Propaganda and Education in Building Socialism with Chinese Characteristics, and Do a Thoroughly Sound Job in Promoting Ideological and Political Work in Urban Enterprises."

The comrades at the meeting also discussed and amended a number of documents whose topics included a scheme for straightening out newspapers and publications in Shaanxi, a number of regulations on propaganda discipline in journalism and publishing, and views on arranging propaganda and education in building socialism with Chinese characteristics in urban enterprises throughout the province.

LEADERS ENTHUSIASTIC ON XINJIANG PROSPECTS

HK080241 Beijing RENMIN RIBAO in Chinese 4 Apr 87 p 3

[Article by staff reporter Ren Yinong (0117 0001 6593): "The Policy of Opening Up Will Make Xinjiang Even More Prosperous -- An Interview with NPC Deputies Song Hanliang and Tomur Dawamat"]

[Text] When examining and discussing the government work report, the representatives of the 13 nationalities from Xinjiang, bringing with them the joy of having reaped bumper agricultural harvests for 9 years in succession, were enthusiastic in airing their views. Upon hearing the news, this reporter interviewed two deputies, Song Hanliang, secretary of the Xinjiang Regional CPC Committee, and Tomur Dawamat, chairman of the regional people's government.

Comrade Tomur Dawamat said: With an overall increase in industrial and agricultural production last year, for the first time the value of commodities transported out of Xinjiang was greater than that transported into Xinjiang. It had a favorable balance of trade of over 27 million yuan. Even more gratifying is that Xinjiang has made considerable headway in opening up to the outside world and to the rest of the country. It has introduced over \$17 million in foreign capital and exported goods worth more than \$200 million. With the support of the central authorities, Xinjiang made three major breakthroughs in opening up to the outside world last year: First, it opened Kizilirmak port, which is situated on the Sino-Pakistani border, to third countries, giving the ancient silk road new vitality. Over 18,000 foreign tourists and businessmen have entered southern Xinjiang through this port, benefiting economic development in that area. Second, it held Xinjiang products fairs in Alma-Ata in the Soviet Union and in the United Arab Emirates. The 2,000-odd commodities exhibited there were well received. Third, it set up the Xinjiang International Development Corporation, the export and import company of the three prefectures, and the autonomous prefecture in southern Xinjiang, which will coordinate foreign trade more satisfactorily. NPC Deputy Song Hanliang expressed his view on the prospects of the policy of opening up to the outside world in Xinjiang and the work that the autonomous region should do. He said: Xinjiang has unique advantages like water, soil, light, and heat and is rich in natural resources. The prospects for opening up the broad markets in central and western Asia are very bright. Song Hanliang said, so long as we work out practical, flexible, and preferential policies in light of the region's special features and absorb more foreign capital, beautiful Xinjiang will certainly be more prosperous and flourishing in the course of opening up to the outside world.

BRIEFS

'NEW' QINGHAI MD COMMANDER -- Qinghai Military District Commander Qiu Shuxian [6726 6615 0341] and Political Commissar Lu Baoyin [6424 1405 6892] recently signed an order awarding a group of regimental-level leading cadres 3d Class Merit Citations. [Passage omitted] [Excerpt] [Xining QINGHAI RIBAO in Chinese 17 Feb 87 p 2 WA]

SHAANXI URGES COTTON PRODUCTION -- The provincial government has issued a circular calling on all localities to do a good job in cotton production this year. The circular says that Shaanxi needs a total of 150 million kg of cotton this year, but the province itself can only supply one-third of this. Areas suitable for growing cotton should therefore regard cotton cultivation as a priority in rural economic work, and the province should achieve a big revival and development of cotton production within a relatively short period. The various state policies and measures for encouraging cotton cultivation should be implemented well. Science and technology in cotton cultivation should be vigorously popularized. [Summary] [Xian Shaanxi Provincial Service in Mandarin 0030 GMT 8 Apr 87 HK]

TAIWAN TO REMAIN IN ASIAN DEVELOPMENT BANK

09080856 Taipei CHINA POST in English 2 Apr 87 p 12

[Text] The Republic of China [ROC] will not withdraw from the Asian Development Bank [ADB], but has yet to decide whether to attend the institution's 20th board of governors meeting in Osaka on April 27-29, Foreign Ministry Spokesman Chiu Chin-i said Tuesday.

Chiu said the ROC is holding discussions with the ADB to settle a dispute over its membership and will attend the ADB meeting if "fair and reasonable" arrangements are made concerning its name.

The ROC, a founder of the bank, boycotted the institution's annual meeting last year to protest an ADB decision to change its name to "Taipei, China" after Peking was admitted as the 47th member of the bank.

LIN YANG-KANG, WANG TAO-YUAN HAVE NEW POSITIONS

09081051 Taipei CNA in English 1023 GMT 8 Apr 87

[Text] Taipei April 8 (CNA) -- The Central Standing Committee of the ruling Kuomintang Wednesday nominated Vice Premier Lin Yang-kang as president of the Judicial Yuan and Defense Minister Wang Tao-yuan as his deputy.

Formal nominations of Lin and Wang will be made by President Chiang Ching-kuo.

The Control Yuan is scheduled to meet on April 16 to exercise its right of consent on the nominations.

Lin and Wang will respectively succeed S.K. Huang and Hung Shou-nan, both have resigned from their posts.

The nomination was viewed as a sign of the government's determination to shake up its judicial branch.

Lin, 60, is a native of Nantou County, Taiwan. A political science graduate of National Taiwan University, Lin started his political career in 1967 when he was elected chief executive of his native country.

Thereafter, Lin rose steadily. In 1972, he was appointed mayor of Taipei. Four years later, he was made governor of Taiwan. Prior to his promotion to the deputy premiership, he was minister of the interior.

Speaking Mandarin with a peculiar accent, Lin is quite eloquent. His strongest forte, however, is his administrative ability.

Wang, 74, a native of Hsi County, Anhwei, graduated from the Great China University with a law degree. He also received military training at the military academy.

Wang has been associated with judicial affairs in both military and civil posts. He was minister of justice from 1976 to 1978. Before taking the defense portfolio he was secretary general of the National Security Council.

DPP FAILS TO MEET 10,000 MEMBERSHIP GOAL

OW087546 Taipei CHINA POST in English 2 Apr 87 p 12

[Text] The Democratic Progressive Party [DPP] has failed to live up to its boast during last November's parliamentary election that its membership would reach 10,000, a local Chinese-language newspaper reported.

Quoting the opposition party's Secretary-General Huang Erb-hsuan, the TAIWAN TIMES said the establishment of some city and country branches has been delayed due to lack of members. Estimates put total party membership at 2-3,000.

The DPP will draft by-laws governing local branches in mid-April and decide on the minimum membership of individual branches at the end of the month, Huang said.

Huang likened the establishment of local branches to giving birth, saying, "When the time is not yet ripe, pushing won't help...but when the time has arrived, giving birth will be a natural process."

He denied reports that the party is divided due to keen competition for chairmanships at local headquarters.

Huang said, "This is common where power is involved, but is not to be interpreted as internal dispute. As long as competition complies with the democratic process and candidates stick to the rules -- no mudslinging -- such competition is normal and healthy."

Huang attributed the bottleneck in recruitment to fear among supporters of jeopardizing their jobs or families while the party remains technically illegal.

A businessman or civil servant may vote for a DPP candidate in an election or make a donation to the party's cause, but would not risk openly admitting support for the DPP for fear of jeopardizing businesses or careers, Huang said.

The newspaper, giving approximate figures said the DPP has only managed to recruit 140 new members in Taipei, 250 in Taipei County, 130 in Hsinchu County, 30 in Miaoli County, 20 in Hualien, 130 in Chiayi, 39 in Chiayi County, 100 in Ilan, 260 in Yunlin County, 140 in Taichung, 40 in Taichung County, less than 100 in Nantou County, 76 in Pingtung County, 160 in Tainan, over 100 in Tainan County and a handful in the other areas.

The DPP was formed last September in defiance of a ban on the formation of new political parties, and the government has been revising laws governing the formation of new political parties, but has yet to recognize it officially.

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C H I N A
HONG KONG & MACAO

W 1

HONG KONG

HONG KONG'S NEW GOVERNOR ARRIVES TO TAKE UP POST

HK090710 Hong Kong AFP in English 0657 GMT 9 Apr 87

[Text] Hong Kong, April 9 (AFP) -- Sir David Wilson arrived in Hong Kong Thursday to take up his post as the 27th governor of this British colony.

Sir David, 52, flew in from Singapore, where he had a three-day stopover. He replaces Sir Edward Youde who died in Beijing on December 5.

A noted Sinologist and an assistant under-secretary for Asian affairs in the Foreign Office, Sir David was a political adviser here from 1977 to 1980 and was involved in Sino-British negotiations on Hong Kong in the early 1980's.

Hong Kong's new government chief joined the British diplomatic service in 1958 and served in China between 1963 and 1965 when he was a second secretary at the British Embassy in Beijing. His diplomatic career was punctuated by a six-year break between 1968 and 1974 when he worked for a London Sinology publication, CHINA QUARTERLY.

Some Hong Kong newspaper columnist greeted Sir David Thursday by leaving empty spaces in their newspaper columns in "silent protest" against a controversial press law enacted last month.

Columnists in three Chinese-language newspapers -- the HONGKONG ECONOMIC JOURNAL, TIN TIN DAILY NEWS and THE MORNING NEWS -- wrote brief protest statements and left most of their columns blank to protest the legislation. "Freedom is dead, long live freedom," one of them wrote.

The Public Order Amendment Ordinance, poses a maximum penalty of a fine of 100,000 Hong Kong dollars (12,820 U.S.) and two years in jail for anyone convicted of releasing "false news that is likely to cause public alarm."

The law was passed by Hong Kong's legislature on March 11 despite public protest, fanning a furor over charges that local legislators failed to respond to public opinion.

Thirty-two of the local Legislative Council's 56 members are civil servants or government appointees. The rest were indirectly elected through professional bodies, business organizations and other groups.

Political observers noted that the immediate issue facing the new governor would be the question of introducing direct elections to the local legislature in 1988. The colonial administration here announced earlier that such considerations would be contained in a government policy paper to be released around June and public opinion -- to be assessed by a government-appointed body -- would be sought on the issue.

It was widely understood here that China would prefer not to see Hong Kong practising direct elections before 1997, when this British colony reverts to Chinese sovereignty, observers noted.

Before arriving in Hong Kong, Sir David changes his official name in Chinese to Wai Yik-sun from the original Ngai Tag-ngai, which was tagged inauspicious in Chinese both by its pronunciation and by its writing. A Chinese name is needed for the governor of Hong Kong where 98 percent of the 5.5 million people are ethnic Chinese.

VII. WESTERN EUROPE DAILY REPORT

Contents unchanged

VIII. SUB-SAHARAN AFRICA DAILY
REPORT

Renamed; formerly SOUTH ASIA DAILY
REPORT; contents include:

International Affairs

Inter-African Affairs

Central Africa

Burundi

Cameroon

Central African Republic

Congo

Equatorial Guinea

Gabon

Rwanda

Sao Tome & Principe

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Liberia

Mali

Niger

Nigeria

Senegal

Sierra Leone

Togo

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